Risk Management Agency 1997

Research and Development Bulletins

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United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-001

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations

FROM: Tim B. Witt /s/ Tim B. Witt 01/13/97
Acting Deputy Administrator

SUBJECT: Addendum - 1997 Actuarial Table (Special Provisions)

This is an addendum to the 1997 Actuarial Table (Special Provisions). This memorandum lists the changes in cotton price elections (as announced in MGR-97-001) and the market price elections for corn, corn silage, grain sorghum, hybrid corn seed, hybrid sorghum seed, and soybeans (as announced in MGR-96-071). The following information should be provided to all producers for the applicable crops prior to the Sales Closing Date.

CROP	CAT PRICE	PRICE ELECTION	UNITS
CORN			
Grain			
Established Price	$1.47	$2.45	Bushel
Market Price	$1.47	$2.45	
Silage			
Established Price	$10.02	$16.70	Ton
Market Price	$10.02	$16.70	
COTTON-UPLAND			
Southeast Region	$0.42	$0.70	Pound
Al, FL, GA, NC,SC,VA and TN counties of Coffee, Franklin, Giles, Lawrence, Lincoln, Maury,			

CROP	CAT PRICE	PRICE ELECTION	UNITS
and Rutherford.			
South Central Region AR, LA, MO, MS, TN-all other counties and Texas counties of Aransas, Atascosa, Austin, Bee, Bexar, Brazoria, Brooks, Calhoun, Cameron, Colorado, DeWitt, Dimmit, Duval, Fort Bent, Frio, Goliad, Guadalupe, Hidalgo, Jackson, Jim Hogg, Jim Wells, Karnes, Kinney, Kleberg, LaSalle, Lavaca, Live Oak, Matagorda, Medina, Neuces, Refugio, San Patricio, Starr, Uvalde, Victoria, Waller, Washington, Webb, Willacy, Wilson, Wharton, Zapata, Zavala.	$0.42	$0.69	Pound
Southwest Region KS, OK, NM-counties of Curry, Lea, Quay, and Roosevelt, and remaining counties of TX not listed in the South Central or Western Regions.	$0.41	$0.67	
Western Region AZ, CA, NM-all other counties, and TX counties of Culberson, El Paso, Hudspeth, Pecos, Reeves, and Ward.	$0.44	$0.72	
COTTON-ELS	$0.69	$1.15	Pound
GRAIN SORGHUM			
Established Price	$1.38	$2.30	Bushel
Market Price	$1.38	$2.30	
HYBRID CORN SEED			
Established Price	$1.47	$2.45	Bushel
Market Price	$1.47	$2.45	
HYBRID SORGHUM SEED			
Established Price	$1.47	$2.45	Bushel
Market Price	$1.47	$2.45	

CROP	CAT PRICE	: PRICE : ELECTION	: UNITS
SOYBEANS			
Established Price	$3.48	$5.80	Bushel
Market Price	$3.69	$6.15	

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-002

TO: All Reinsured Companies
All Risk Management Agency Field Offices
FSA Headquarters, Program Delivery & Field Operations - Information Only

FROM: Tim B. Witt /s/ Roberta E. Waggoner 01/17/97
Acting Deputy Administrator

SUBJECT: 1996 Avocado Standardized Season Average Price and Average County Revenue

The 1996 avocado standardized season average price and average county revenue are $.75 and $2325, respectively.

These are the asterisked items on page 1 of the county actuarial table.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-003

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Acting Deputy Administrator /s/ Tim. B. Witt 1/22/97

SUBJECT: Florida Citrus Fruit Crop Insurance Provisions

Attached are the Florida Citrus Fruit Crop Provisions, effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. Please refer to the provisions for more complete information.

- Section 1 - deletes the reference to "white grapefruit" and "fresh-fruit basis for pink and red grapefruit" from Type III. This type is now all grapefruit that will be adjusted on a juice basis.

- Section 1 - adds limes to the Florida Citrus Fruit Crop Provisions, under Type VI, as an insurable citrus crop. Limes were added in response to public interest in coverage and the findings of FCIC's field staff and Research and Evaluation Branch staff supporting the insurability of this additional citrus crop.

- Section 1 - adds late oranges fresh to Type VII for those producers who have records demonstrating that their crop has been sold as fresh fruit.

- Section 2 - describes the guidelines under which basic units may be divided into optional units. The definition of "unit" under section 1 (tt) of the Basic Provisions (part 457.8) provides for the division of units in accordance with applicable crop provisions. The previous endorsement did not clarify guidelines for determining optional units. Section 2 of these crop provisions provides guidelines for determining optional unit division of Florida citrus fruit basic units that are consistent with many other perennial crop provisions. Optional units may be divided on the basis of section, section equivalent, or Farm Service Agency (FSA) Farm Serial Number, or on acreage located on non-contiguous land.

- Section 3(a) - specifies that the insured may select only 1 percentage of the maximum dollar amount of insurance for all fruit included in each type shown in section 1 of the Florida Citrus Fruit Crop Provisions or as designated in the Special Provisions. Since FCIC considers each type tobe a "crop," the language in these crop provisions clearly limits producers to one percentage of the maximum dollar amount for each fruit within a type, regardless of variations in the maximum amount of insurance for the fruit. For example, if an insured chooses the 75 percent coverage level for Naval Oranges, then they must also choose the 75 percent coverage level for Tangerines since both are included as Type IV citrus fruit.

- Subsection 3(c) - specifies that insureds with interplanted citrus acreage must report information needed by the insurer to establish the amount of insurance and number of acres of the interplanted insured crop, for the first year of insurance for acreage interplanted with another citrus fruit crop, and anytime the planting pattern of such acreage is changed. The insured must report the age of any interplanted crop, the planting pattern, and any other information needed to establish the amount of insurance for the interplanted acreage. The acreage or amount of insurance, or both, may be adjusted by us when we become aware of the situation if the insured has not previously reported it. Coverage for interplanted acreage is not provided under the current Florida Citrus Endorsement.

- Section 4 - changes the contract change date from April 15 to March 15. This change will allow insureds more time to make insurance decisions before the April 30 cancellation date.

- Section 6 - FCIC removed language from the previous endorsement that provided for us to exclude from insurance, or limit the amount of insurance on, any acreage that was not insured the previous crop year. This language is not necessary because we currently inspect new acreage or acreage added to an existing unit.

- Section 6 - FCIC removed language from the previous endorsement that required producers to insure all their grapefruit under a single type, (ie either as fresh fruit or juice).

- Section 6(b)(2) - changes the insurable tree age requirement from 10 years after set out to 5 years after set out based on industry recommendations. The amounts of insurance listed in the actuarial documents are based on tree age, and are reduced proportionately for younger trees.

- Section 7 - makes Florida citrus fruit interplanted with another citrus fruit crop insurable unless the insurance provider inspects the acreage and determines it does not meet the requirements contained in the producer's policy.

- Section 8(a)(1) - specifies that if the application is submitted less than 10 days before the date insurance attaches, (received after April 21) insurance will not attach until 10 days after the properly completed application, acreage report, and production reports are received in our local office. This provision allows the insurer time to inspect the grove and is designed to prevent producers from applying for insurance only when they believe a loss is probable.

- Section 8(b)(1) specifies that if the producer acquires an insurable share in any insurable acreage after coverage begins but on or before the acreage reporting date for the crop year,insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period if after an inspection the insurance provider considers the acreage acceptable.

- Section 8(b)(2) specifies that if the producer relinquishes an insurable share on any insurable acreage of Florida citrus fruit on or before the acreage reporting date of any crop year, insurance will not be considered to have attached. No premium will be due, and no indemnity paid, for such acreage for that crop year unless a transfer form is completed by all affected parties and the insurance provider is notified in writing of such transfer on or before the acreage reporting date. The transferee must meet eligibility requirements contained in the policy and the form must be subsequently approved by the insurance provider.

- Section 10(b) - changes the deductible for determining when an indemnity is due for limited and additional coverage. The indemnity had been computed based on the determination of the percent of damage, less 10 percent. For the 1998 crop year, it will be the percent of damage, less the deductible (ie. 25 percent), divided by the coverage level percent.

- Section 10(c) and (d) are amended to delete Type III pink and red grapefruit because the type changes make it a "juice only" fruit.

- Section 10(e)(2) - changes the levels of juice content for types I, II, and III used to determine damage, whenever a producer does not furnish acceptable records, as follows:

Type I - 52 pounds of juice per box
Type II - 54 pounds of juice per box
Type III - 45 pounds of juice per box

These recommendations are based on improvements in processing technologies and processing equipment implemented during the past few years and documented weighted averages for the last three seasons.

- Section 10(h) - removes Type III grapefruit from this section which lists types of fruit that are considered a total loss because they are unmarketable as fresh fruit due to serious hail damage. Type III grapefruit goes to juice and fresh grapefruit is currently under Type VII.

- Section 11 - adds provisions for providing insurance coverage by written agreement. FCIC has a long-standing policy of permitting modification of certain provisions of insurance contracts by written agreement. This provision is not documented in the current Florida Citrus Endorsement. This section provides for the application for, and duration of, written agreements.

Attachment - will follow in the mail

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-004

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM Tim B. Witt /s/ Tim B. Witt 1/22/97
Acting Deputy Administrator

SUBJECT: 1996 Group Risk Plan Preliminary Payments

Attached are the preliminary payment yields and factors for 1996 Group Risk Plan cotton and forage production. Preliminary payment yields have also been incorporated into the Actuarial Data Master. For Farm Service Agency offices, these yields and factors are for informational purposes only.

Attachment - will follow in the mail

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-005

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /S/ TIM B. WITT 01/31/97
Acting Deputy Administrator

SUBJECT: Texas Citrus Tree Crop Insurance Provisions 98-046

Attached is the Texas Citrus Tree Crop Provisions. These provisions are effective for the 1998 and succeeding crop years. Following is a brief description of the significant changes to these provisions. Please refer to the provisions for more complete information.

- Section 2 allows basic units to be divided into optional units by section, section equivalent or FSA Farm Serial Number; or by non-contiguous land. The previous endorsement allowed unit division if each unit was non-contiguous.

- Section 4 changed the contract change date from February 28 to August 31.

- Section 5 changed the cancellation and termination dates from May 31 to November 20.

- Section 6 allows the premium to be increased by 46 percent for the 1998 crop year only, because of 18 months of coverage.

- Section 7 includes the insurable citrus tree crop designation in the Special Provisions rather than in the Texas Citrus Tree Crop Provisions.

- Section 8 makes citrus trees interplanted with another perennial crop insurable unless the insurance provider inspects the acreage and determines it does not meet the requirements contained in the producer's policy.

- Section 9(a)(1) specifies that for the 1998 crop year only, coverage will begin on June 1, 1997, and will end on November 20, 1998. This policy will be an 18-month policy for the 1998 crop year only, due to the transition period.

- Section 9(a)(2) specifies that after the 1998 crop year insurance coverage begins on November 21 of the calendar year prior to the year the insured crop normally blooms, except that for the year of application if the producer's application is received after November 11, but prior to November 21, insurance will attach on the tenth day after the properly completed application is received in the insurance provider's local office, unless the insurance provider inspects the acreage during the 10-day period and determines that it does not meet insurability requirements. Under the current policy, insurance attached on June 1 of each crop year, except that for the first insured crop year if the application was accepted by the insurance provider after June 1: 1) the insurance against wind and freeze attached on the tenth day after the properly completed application was submitted to the service office; 2) if any insurable acreage was set out after June 1, insurance attached on the date set out was completed for the unit if the acreage was reported within 72 hours after the date of completion, except for excess wind and freeze; and 3) for all other instances, insurance attached on the date the application was accepted.

- Section 9(a)(3) specifies that the calendar date for the end of the insurance period for each crop year is November 20.

- Section 9(b) specifies that if the producer acquires an insurable share in any insurable acreage of citrus trees after coverage begins, but on or before the acreage reporting date for the crop year, and after an inspection the insurance provider considers the acreage acceptable, insurance will be considered to have attached to such acreage on the calendar date for the beginning of the insurance period.

- Section 9(c) specifies that if the producer relinquishes an insurable share on any insurable acreage of citrus trees on or before the acreage reporting date for the crop year, insurance will not be considered to have attached to, and no premium or indemnity will be due for, such acreage for that crop year unless a transfer form is completed by all affected parties, the insurance provider is notified in writing on or before the acreage reporting date, and the transferee is eligible for crop insurance.

- Section 10 clarifies that failure of the irrigation water supply must be caused by an insured peril or drought occurring during the insurance period to be an insurable cause of loss.

- Section 12 removes the provisions that limited coverage to 50, 65, and 75 percent to allow for the computation of losses if other additional coverage levels are offered.

- Section 13 adds provisions for providing insurance coverage by written agreement.

Attachments - BULLETIN AND ATTACHMENTS WILL BE MAILED

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-006

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations - Information Only

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: Cotton Harvest Incentive Pilot Program

BACKGROUND:

The Cotton Harvest Incentive (CHI) was a pilot program for the 1995 and 1996 crop years in Bailey, Cochran, Dawson, Fisher, Hale, Haskell, Howard, Jones, Lamb, Mitchell, Nolan, and Scurry Counties, Texas. It was requested by interests from the High Plains of Texas with the objective of reducing losses by increasing harvested acres, thereby increasing the cotton delivered to gins.

The Board of Directors of the Federal Crop Insurance Corporation (FCIC) approved a new modified CHI Pilot Program for the 1997 and 1998 crop years. It will continue to be available in the same Texas counties as listed above.

The new CHI includes the following changes from the previous CHI:

1. The incentive is changed from 35 pounds to 7.5 percent of the approved yield with a 35 pound maximum.

2. The penalty for unharvested acres is eliminated.

3. The option is restricted to basic units.

4. The surcharge is 12 percent of the base premium.

5. The rate option code is IH' for the cotton harvest incentive effective for the 1997 crop year.

ACTION:

The Cotton Harvest Incentive Endorsement is available electronically via the Reporting Organization (RO) server. This release includes the FCI-35 Coverage and Rate Tables and the CHI Endorsement. A copy of the CHI Endorsement and an example showing how the amount of production-to-count is affected by these provisions is attached.

If you have any questions about this pilot program, please contact Vondie O'Conner at 816) 926-6343 or by fax at (816) 926-7343.

Attachments

97-21A

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
COTTON CROP INSURANCE
HARVEST INCENTIVE ENDORSEMENT

This endorsement is available for the 1997 and 1998 crop years only in counties identified in the Actuarial Table. If you elect this endorsement for the 1997 crop year, it will continue in force for the 1998 crop year unless you or we cancel it on or before the cancellation date contained in your policy. This endorsement will be canceled automatically at the end of insurance period for the 1998 crop year.

1. You must elect this endorsement in writing on or before the sales closing date for the initial crop year in which you wish to insure your cotton under its terms and conditions.

2. If you elect this endorsement:
   (a) All acreage of cotton insured under your Cotton Crop Provisions will be subject to the provisions of this endorsement; and
   (b) Your Cotton Crop Provisions will be changed as follows:
      (1) Add the following to section 11.(c)(2) after the existing language: however, the harvested production to count will be reduced by the smallest of the amounts described below whenever the total production to count is less than the production guarantee for the unit:
         (I) Seven and one-half (7.5) percent of the approved yield (not to exceed 35 pounds) multiplied by the number of harvested acres; or
         (ii) The difference between the total guarantee for the harvested acres and the harvested production to count; or
         (iii) The harvested production to count.
      (2) Delete section 2, Unit Division. Optional units are not available under this endorsement.

COTTON HARVEST INCENTIVE ENDORSEMENT
FOR THE 1997 AND 1998 CROP YEARS
Incentive Calculation Example

EXAMPLE

Irrigated Approved Yield 720 lbs. x .65 coverage level = 468 production guarantee Non-irrigated Approved Yield 316 lbs. x .65 coverage level = 205 production guarantee

Irrigated production guarantee = 468 lbs x 80.8 acres = 37,814 lbs.
Nonirrigated production guarantee = 205lbs. x 64.2 acres = 13,161lbs.
Production Guarantee for the Unit = 50,975 lbs.

THE 1997 AND 1998 COTTON HARVEST INCENTIVE DOES NOT IMPACT THE CALCULATION OF APPRAISED PRODUCTION TO COUNT FOR UNHARVESTED ACRES

Appraised Production To Count (APTC)

Stage	Acres	Practice	Appraisal	APTC
UH	9.8	I	15	147
UH	10.0	I	35	350
UH	10.0	NI	10	100
UH	9.2	NI	5	46
Total	39.0			643 pounds

No penalty or incentive applies to unharvested acres. The appraised production to count of 643 pounds will be used.

IMPACT OF THE INCENTIVE TO THE HARVESTED PRODUCTION TO COUNT

Total Harvested Production to Count (After quality adjustments) = 21,521 pounds

CALCULATION OF INCENTIVE FOR HARVESTED ACRES

Practice	Incentive Approved Yld/ 7.5% Appr. Yld)	Maximum Per Acre Incentive	Harvested Acres	Calculated Incentive	65% Guar.	Total Guar.
I	720 / 54	35	61.0	2,135	468	28,548
NI	316 / 24	24	45.0	1,080	205	9,225
TOTALS			106.0	3,215		37,773

When the total production to count is less than the production guarantee for the unit, the harvested production to count will be reduced by the smaller of:

1. Seven and one-half (7.5) percent of the producer approved yield (not to exceed 35 pounds) multiplied by the number of harvested acres (24 lbs x 45 NI. acres = 1,080) plus (35 lbs. x 61 irr. acres = 2,135 lbs.) equals 3,215 pounds; or

2. The difference between the total guarantee for the harvested acres and the harvested production to count (37,773 lbs. - 21,521 lbs. = 16,252); or

3. The harvested production to count (21,521 lbs.).

The harvested production to count is reduced by 3,215 lbs. as follows:

> 21,521 lbs. Harvested Production To Count - 3,215 lbs. Reduction = 18,306 lbs. Harvested Production To Count.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-007

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations -
Information Only

FROM: Tim B. Witt /S/ TIM B. WITT 02/03/97
Acting Deputy Administrator

SUBJECT: Income Protection--1997 Program Filing for Spring Seeded Crops

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation (FCIC) has approved the Income Protection - grain sorghum and soybean pilot program plans of insurance for the 1997 crop year. Grain sorghum will be available in selected Texas counties and soybeans will be available in selected counties in Arkansas, Illinois, Indiana, and Iowa.

The Income Protection - corn, cotton, and spring wheat pilot program materials have been updated for the 1997 crop year.

ACTION:

The 1997 Income Protection - corn, cotton, grain sorghum, wheat, and soybean actuarials are available electronically via the Reporting Organization (RO) server. This release includes the FCI-35 Coverage and Rate Tables, Income Protection - corn, cotton, grain sorghum, and soybean Crop Provisions, Special Provisions of Insurance, Acknowledgment of Differences, a Premium Calculation Worksheet, a Yield Calculation Worksheet, and APH Procedure Comparison.

If you have any questions about this pilot program, please contact Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.

Attachments--ENTIRE BULLETIN WITH ATTACHMENTS WILL BE MAILED

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-008

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations - Information Only

FROM: Tim B. Witt /S/ TIM B. WITT 02/03/97
Acting Deputy Administrator

SUBJECT: Revenue Assurance and Crop Revenue Coverage - 1997 Program Materials for Spring-Seeded Crops

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation (FCIC) has approved a Revenue Assurance (RA) pilot program for corn and soybeans in Iowa and Nebraska, expansion of the Crop Revenue Coverage (CRC) Insurance Program for corn and soybeans, and new CRC programs for cotton, grain sorghum, and spring wheat for the 1997 crop year. CRC will be available for approved states, counties, and crops where CRC actuarial materials are filed.

The CRC Basic Provisions have been updated and a CRC Cotton Crop Provisions and CRC Coarse Grains Crop Provisions (for corn, soybeans, and grain sorghum) have been added. These policies have been approved for the 1997 crop year and the CRC Coarse Grains Crop Provisions will be applicable for corn and soybeans in Iowa and Nebraska for the 1997 crop year as well as all other approved states.

ACTION:

The 1997 RA and CRC program materials are available electronically via the Reporting Organization (RO) Server. For RA, this release includes the RA Basic Provisions and RA Crop Provisions, Underwriting Rules, Common Questions and Answers, and Disclosure Statement. Additionally, loss handbook supplemental instructions will be provided in the near future. For CRC this release includes the CRC Basic Provisions and CRC Crop Provisions, Commodity Exchange Endorsements, Underwriting Rules, and Questions and Answers. Actuarial material (rates, special provisions, etc. for CRC and premium quoting software, special provisions, etc. for RA) will be published in the near future.

Please advise your Data Processing Managers to monitor the RO Server for the Actuarial Division release of the RA and CRC materials which will contain the RO Server file names, file locations, and contact persons for assistance. For RA and CRC program related matters, contact the Product Development Division at (816) 926-7730 or by fax at (816) 926-1841.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-008.1

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations - Information Only

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: Revenue Assurance and Crop Revenue Coverage--1997 Program Materials for Spring-Seeded Crops

BACKGROUND:

Informational Memorandum R&D-97-008 inadvertantly indicated that the Board of Directors of the Federal Crop Insurance Corporation (FCIC) approved a Revenue Assurance (RA) pilot program for corn and soybeans in Nebraska.

Be advised the RA pilot program is approved for corn and soybeans in Iowa only.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-009

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ R. E. WAGGONER (for) 2/6/97
Acting Deputy Administrator

SUBJECT: 1997 Dry Bean Crop Insurance Provisions

Attached is a copy of the Dry Bean Crop Provisions that will be effective for the 1997 and succeeding crop years. The following is a brief description of the significant changes to these provisions. Please refer to the provisions for more complete information.

- The definition of "county" will now conform to the Basic Provisions of the Common Crop Insurance Policy; therefore, county will no longer include land identified by an FSA Farm Serial Number for the county but that is physically located in another county. Such land will be insured using the actuarial materials for the county in which it is physically located.

- Unit division provisions contained in section 2 provide for separate dry bean types to qualify for optional units, rather than basic units. This change makes basic unit division provisions consistent with provisions for other crops. These provisions have also been expanded to include the insured's reporting responsibilities to qualify for optional units and the breakdown of units by irrigated and non- irrigated acreage. Contract seed beans qualify as one basic unit if the seed bean processor contract is for an amount of production. Contract seed beans optional units may be further subdivided if the seed bean processor contract is for a set amount of acreage.

- Cancellation and termination dates are changed from March 31 to February 28 in California and from April 15 to March 15 in all other states. The changes are intended to minimize program vulnerabilities that may exist under current program dates by reducing the chances that insureds may be able to anticipate below normal yields and to implement amendments to the Federal Crop Insurance Act made by the Federal Crop Insurance Reform Act of 1994.

- Section 3 specifies that the insured may select only one price election for all the dry beans in the county insured under the policy, unless the Special Provisions provide different price elections by type, in which case the insured may select one price election for each dry bean type. The price elections selected are not required to have the same percentage relationship to the maximum price offered for each type.

- Section 6 specifies that a copy of any applicable seed bean processor contract must be submitted with the acreage report. This change is made to allow verification that the policy requirement for a contract has been met when establishing the liability under the policy.

- Section 7(b) clarifies that any acreage of contract seed beans produced by a seed company is not insurable, as such seed beans are usually produced for experimental purposes.

- Section 7(c) clarifies the number of years that test plot results must be provided for insurance to be offered on dry bean types not shown in the Special Provisions.

- Section 8(b) clarifies that any acreage damaged prior to the final planting date must be replanted unless replanting is not practical. This provision specifies that you will not be required to replant if it is not practical to replant to the same type of beans as originally planted.

- Section 9 establishes the end of the insurance period dates by state in accordance with the usual harvest dates published by National Agricultural Statistics Service. The previous policy contained only one end of the insurance date and was too late in some areas.

- Section 10(c) and (d) specifies that damage or loss of production due to disease or insect infestation will not be insurable unless an insured cause of loss prevents the proper application of control measures.

- Section 10(h) specifies that failure of the irrigation water supply must be caused by an insured peril that occurs during the insurance period.

- Section 11(b) specifies that the maximum amount of a replanting payment will be the lesser of 10 percent of the production guarantee or 120 pounds, multiplied by the price election for the newly seeded beans times the insured's share.

- Section 11(d) specifies that the guarantee and premium amount for acreage replanted to a different insurable type will be based on the replanted type.

- Section 13(b) clarifies the calculations used to determine dry bean indemnities by allowing the aggregation of production guarantees and production to count when more than one dry bean type is in one unit or the unit has both contract seed beans and other bean production.

- Section 13(e) specifies that the value of contract seed production must be multiplied by the elected price election percentage. The value of production to count must also be multiplied by the same elected price election percentage to be consistent with the amount of insurance for the insured acreage.

- Section 13(f) specifies that adjustment in production to count containing excessive moisture be made separately from any adjustments for quality deficiencies. Also, quality adjustment procedures have been clarified for situations in which the pick exceeds the percentage shown on the Special Provisions or the production does not meet the grade requirements for U.S. No. 2.

- Section 14 grants protection for acreage planted within 25 days after the final planting date, and for acreage that cannot be planted due to any insurable cause of loss. If the insured is prevented from planting by the final planting date, or intends to plant within the late planting period and is prevented from doing so, insurance protection is provided at a specified percent of the production guarantee for timely planted acreage. Reductions are made to recognize lower yield potential for late planting acreage.

- Section 15 adds provisions for providing insurance coverage by written agreement.

Attachment

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-010

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations

FROM: Tim B. Witt /s/ Tim B. Witt 2/7/97
Acting Deputy Administrator

SUBJECT: Addendum - 1997 Actuarial Table (Special Provisions)

This is an addendum to the 1997 Actuarial Table (Special Provisions) for counties with a December 31 contract change date. This list includes the price elections for dry beans and potatoes for California and Texas. The following information should be provided to all producers for the applicable crops prior to the sales closing date.

CROP	CAT PRICE	PRICE ELECTION	UNITS
DRY BEANS			
Adzuki 321	$0.15	$0.24	Pound
Baby Lima 320	$0.18	$0.30	
Black Turtle Soup 303	$0.12	$0.20	
Blackeye 315	$0.18	$0.30	
Cranberry 304	$0.17	$0.27	
Dark Red Kidney 305	$0.15	$0.24	
Flat Small White 312	$0.14	$0.23	
Garbanzo 306	$0.17	$0.28	
Contract Seed - 062	60.0%	100.0%	
Great Northern 307	$0.15	$0.25	
Large Lima 319	$0.27	$0.45	
Light Red Kidney 308	$0.15	$0.24	
Marrow 317	$0.17	$0.27	
Mung 322	$0.10	$0.16	
Pea (Navy, Medium White)309	$0.13	$0.21	
Pink 310	$0.13	$0.21	
Pinto 311	$0.11	$0.18	
Small Red 313	$0.14	$0.23	

CROP	CAT PRICE	PRICE ELECTION	UNITS
Small White 314	$0.14	$0.23	
White Kidney 318	$0.15	$0.24	
Yelloweye 316	$0.18	$0.30	
POTATOES			
California			
Humbolt	$3.60	$6.00	Cwt.
Modoc	$2.40	$4.00	
Siskiyou	$2.40	$4.00	
Texas			
Bailey, Castro, Dallam, Deaf Smith, Floyd, Gaines, Hale, Hartley, Haskell, Lamb, Parmer, Swisher, and Yoakum Counties	$7.68	$12.80	

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-011

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations - Information Only

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: Correction--Crop Revenue Coverage - 1997 Coarse Grains Crop Provisions

BACKGROUND:

The 1997 Coarse Grains Crop Provisions recently released on the Risk Management Agency (RMA) Reporting Organization (RO) Server contained an inadvertent omission. Section 13 (d) (4) (ii) is missing the following language ". . . and unless we agree in writing on or before the sales closing date . . ."

The correct text for Section 13 (d) (4) (ii) should read as follows:

"(ii) If you do not participate in any program administered by the Department of Agriculture that limits the number of acres that may be planted, and unless we agree in writing on or before the sales closing date, eligible acreage will not exceed the greater of:"

The above text is consistent with the 1997 CRC Cotton and Wheat Crop Provisions and other Federal Crop Insurance Corporation (FCIC) approved policies. A corrected policy dated February 7 has been placed on the RO Server for your use.

If reinsured companies have duplicated the 1997 CRC Coarse Grains Crop Provisions containing the omission they may choose to proceed; however, all insureds must be provided the ability to request an increase in eligible acreage consistent with all other FCIC approved policies.

If you have any questions regarding this correction, please contact the Product Development Division at (816) 926-7730.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-012

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations

FROM: Tim B. Witt /s/ R. E. Waggoner (for) 2/19/97
Acting Deputy Administrator

SUBJECT: Correction of Nursery Actuarial

The 1997 crop year actuarial for nursery contains the following statement:

> "For CAT imputed premium calculation purposes, the highest monthly market value for each risk classification will be multiplied by .60 prior to applying the appropriate premium rate."

The statement is incorrect and should read as follows:

> "For CAT imputed premium calculation purposes, the highest monthly market value for each risk classification will be multiplied by .27 prior to applying the appropriate premium rate."

The revised statement correctly reflects the imputed premium as stated in the nursery crop provisions (96-056) section 7 (a) (3).

Please note this nursery correction for any sales, acreage, or claim data submission to Risk Management for processing purposes.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-013

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ R.E. Waggoner (for) 2/19/97
Acting Deputy Administrator

SUBJECT: Cranberry Crop Insurance Provisions

Attached is a copy of the Cranberry Crop Insurance Provisions effective for the 1998 and succeeding crop years. A brief description of the significant changes to these provisions follows. Please refer to the provisions for complete information.

- Section 1 clarifies that the definition of "harvest" is removal of the cranberries from the bog rather than the picking of the cranberries from the vines for the purpose of removal from the land. Reference to overhead solid irrigation systems and frost prevention in the definition of "irrigated practice" as published in the proposed rule has been removed.

- Section 2 has been expanded to include the insured's reporting responsibilities to qualify for optional units, allows for the breakdown of units by irrigated and non-irrigated acreage and only requires optional units "established for the crop year" to be identified on the acreage report.

- Section 3(b) specifies that the producer must report any damage, removal of vines, and changes in practices that may reduce yields.

- Section 7(a)(1) specifies that if an application is accepted after November 20, insurance will not attach until the 10th day after the application is received by the insurance provider and provides guidelines for attachment of insurance when insurable acreage is acquired or relinquished.

- Section 7(b)(2)(iii) adds a requirement to clarify that any transferee must also be eligible for crop insurance.

- Section 8(a)(7) clarifies that failure or breakdown of irrigation equipment or facilities due to direct damage to the irrigation system or facilities, is an insurable cause of loss if the crop is damaged by freezing temperatures within 72 hours of such failure or breakdown and repair or replacement was not possible before damage occurred.

- Section 8(b) specifies that disease and insect infestations are excluded causes of loss unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or cause disease or insect infestation for which no effective control mechanism is available. This section clarifies that the inability to market the cranberries for any reason other than actual physical damage is not a covered cause of loss.

- Section 9(a) adds provisions that require an insured to notify the insurer of probable loss at least 15 days before the beginning of harvest, or immediately if discovered after harvest has begun so an inspection can be made.

- Section 9(b) clarifies that the insured is prohibited from selling or disposing of any damaged production until the earlier of 15 days from request or when the insurance provider provides written consent to do so.

- Section 9(c) clarifies that the failure of the producer to meet the requirements of this section, and such failure results in the insurance provider's inability to inspect the damaged production, all such production will be considered undamaged and included as production to count.

- Section 10(c)(1)(D) was added "destroyed or put to another use without our consent" to be consistent with other crop provisions.

- Section 10(c)(3) clarifies that harvested production that, due to insurable cause, is determined not to meet U.S. Standards for Fresh Cranberries, if available, and such harvested production has a value less than 75 percent of the market price for cranberries meeting the minimum requirements will be adjusted by: (i) dividing the value per barrel by the market price per barrel; and (ii) multiplying the results by the number of barrels.

- Section 11 adds provisions for providing insurance coverage by written agreement.

If you have any questions, please contact Dave Clauser of the Product Development Division at (816) 926-7730.

Attachment - ENTIRE BULLETIN AND ATTACHMENT WILL BE MAILED

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-014

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations - Information Only

FROM: Tim B. Witt /s/ R. E. Waggoner (for) 2/19/97
Acting Deputy Administrator

SUBJECT: 1997 Income Protection and Crop Revenue Coverage Price Announcements for Cotton and Soybeans

---------------------------Income Protection----------------------------

The 1997 projected price for Income Protection (IP) Cotton is $0.77 per pound. This projected price is defined in the Cotton crop provisions to be "the average derived by totaling the final closing daily settlement prices for the current year New York Cotton Exchange December cotton futures contract for each trading day from January 15 through February 14 of the current year, and dividing that total by the number of daily settlement prices."

The 1997 projected price for IP Soybeans with a sales closing date prior to March 15, 1997, is $6.89 per bushel. This projected price is defined in the IP Soybean crop provisions as "the average derived by totaling the final closing daily settlement prices for the insured crop year Chicago Board of Trade (CBOT) November soybean future contracts of each trading day from January 15 through February 14 prior to the sales closing date, and dividing that total by the number of daily settlement prices."

---------------------------Crop Revenue Coverage-------------------------

The 1997 base price for Crop Revenue Coverage (CRC) Cotton is $0.73 per pound. This base price is defined in the CRC Commodity Exchange Endorsement to be "ninety-five percent (95%) of the Average Daily Settlement Price from January 15th to February 14, of the New York Cotton Exchange December cotton futures contract."

The 1997 base price for CRC Soybeans with a sales closing date prior to March 15, 1997, is $6.40 per bushel. This base price is defined in the Commodity Exchange Endorsement to be "ninety-five percent (95%) of the December Average Daily Settlement Price for the Chicago Board of Trade (CBOT) September soybean futures contract."

The projected price for IP and CRC soybeans with a March 15 sales closing date will be announced by March 5.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-015

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt 02/24/97
Acting Deputy Administrator

SUBJECT: Revenue Assurance - Clarification of Soybean Coverage for the 1997 Crop Year

BACKGROUND:

The Revenue Assurance (RA) insurance program was intended to insure all soybeans that are properly incorporated into the soil at planting time and that are planted for harvest as beans. A non-conventional practice (code 108) was provided on the RA County Actuarial Table in 30 Iowa counties; however, soybeans planted in this manner were intended to be insurable in all Iowa counties.

ACTION:

Soybeans planted in a manner consistent with the non-conventional practice are insurable in the other 69 Iowa counties. These soybeans will be coded under the applicable Irrigated practice (code 002) or Non Intertillable Between Rows practice (code 086) provided on the RA County Actuarial Table in those counties.

To avoid refiling RA actuarial material, this informational memorandum is being provided so all reinsured companies may properly notify their agents and company personnel of this action.

United States Department of Agriculture | Risk Management Agency | Research and Development | P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-016

TO: All Reinsured Companies
FSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: Additional 1997 and 1998 Actual Production History (APH) and Master Yield Instructions for Carryover Sugar Beet and Dry Bean Insureds.

BACKGROUND:

The new Sugar Beet and Dry Bean Crop Provisions in effect for the 1997 crop year (1998 for sugar beets in Arizona and California) changed the county definition. This change will affect the use of the APH data provided by carryover insureds for previous crop years whose crop insurance contract contained land physically located in more than one county but identified by the same Farm Service Agency (FSA) farm serial number. Under the new county definition, separate crop insurance contracts are required for each location county; therefore, separate APH yields are required for each location county. Both "standard" APH and Master Yield calculations are affected by this change. Applicable APH procedures in the 1997 FCIC 18100 Catastrophic Risk Protection (CAT) Handbook or applicable APH and Master Yield procedures in the FCIC 18010 Crop Insurance Handbook (CIH) are still used; however, this memorandum provides additional APH and Master Yield instructions to provide the transition for affected insureds.

ACTION:

1 **Carryover insureds under standard APH** procedures whose previous crop insurance contract covered land physically located in more than one county, beginning with the 1997 crop year (1998 for sugar beets in AZ and CA):

A Must submit separate production reports (by unit, practice/type/variety [P/T/V]) for the most recent APH crop year for each insured location county. The most recent APH crop year is 1996 (except for sugar beets in AZ and CA which will be 1997).

B Must have separate APH databases (by unit and P/T/V) established by the insurance provider for each insured county.

(1) Replicate the yield history (actual and/or assigned yields) and acres from the previous crop/county contract, to applicable databases for the county requiring an application to continue coverage (new county), unless the insured requests that the prior APH yield history be separated by

location county. Adjustments to replicated (actual and assigned) sugar beet yields may be required, see Par. 2. Replicated actual yields must be preceded by an "X" yield type descriptor. When assigned yields are replicated, retain the "P" yield type descriptor. See Par. 5, Example 1, Scenario 1 and 2.

(2) If the insured requests prior APH yield history to be separated by location county and the prior year's APH databases:

(a) Identify ALL crop years' prior APH yield history as belonging to a specific county, the prior history (actual and assigned yields) must be attributed to the applicable county's APH form (i.e., separate units are identified by the applicable county's legal description). Adjustments may be required to the actual and assigned yields, see Par. 2.

(b) Do NOT identify ALL crop years' prior APH yield history separately by county (i.e., a single unit contains prior history from more than one county), ALL crop years' (not separated by county) production history must be recertified by the insured designating acres and production to the applicable county. If all such crop years are not recertified, the database for the "new county" must be established according to (1) above. Insureds may not leave out crop years that were previously reported.

2 **Adjustments to actual and replicated sugar beet yields** are required for standard APH or Master Yield calculations if the sugar percentages specified on the county actuarial documents are different for location counties.

A If the prior actual production (which was reported together for more than one county) is separated by location county, the actual production for a "new county" must be recalculated using the applicable sugar percentage.

B To adjust replicated actual or assigned yields, determine an adjustment factor by dividing the sugar percentage for the previously insured county by the sugar percentage for the "new county." Round the result to three decimal places. Multiply this factor times the yield to be replicated. See Par. 6, Example 2, Scenario 2.

3 **Yield Limitation (CUPS and CAPS)** instructions for standard APH and Master Yields. Refer to the CAT or CIH for additional information.

A Yield limitation provisions will not apply the first year:

(1) A different yield method is used (i.e., switches from standard APH to Master Yields).

(2) Prior production history (which was reported together for more than one county) is separated by location county.

B Yield limitation provisions will continue to apply if the same yield method is used and prior production history is not separated by location county. This includes approved yields in a “new county” when actual and/or assigned yields were replicated from another county.

4 **Carryover insureds with Master Yields** whose crop insurance contract covered land located in more than one county:

A Must submit separate production reports (by unit and P/T/V) for the most recent APH crop year for each location county insured.

B May request cancellation of the Master Yield (by the cancellation date for the applicable crop year) and have yields calculated under applicable standard APH procedures.

C Will continue to have their APH yield calculated using Master Yield procedures if the existing Master Yield is not canceled timely, and acceptable production reports required to update the Master Yield are provided for the most recent APH crop year. Previously approved Master Yield summaries which consolidated acreage and production histories from two or more location counties by the designation of a homogeneous yield area must also have separate Master Yields established for each location county involved. Redefinition of county by the Sugar Beet or Dry Bean Crop Provisions disallows continuation of such APH Master Yield designations.

(1) If an insured requests new Master Yields based on the acreage and production from the physical location counties, insurance providers may calculate new Master Yields by following the initial Master Yield procedure in the CIH. If the prior years’ production reports do not adequately identify ALL crop years' production history that was contained in the previous year's Master Yield as belonging to a specific county, the insured must recertify ALL such crop years and designate the acres and production to each location county. If the insured is unable to provide separate acceptable APH data for each location county for ALL crop years contained in the previous year's Master Yield, or does not request new Master Yields based on the physical location, the 1997 (1998 for CA sugar beets) Master Yields will be calculated as indicated in (2) or (3) below.

(2) If insurance is continued ONLY for the county insured the previous crop year, applicable existing Master Yields will be updated by adding the APH data for the most recent APH crop year (for the insured county). Refer to Par. 6, Example 2, Scenario 1.

(3) If insurance is continued for the same counties/farming operation, separate Master Yields must be established for each insured county. 1997 (1998 for CA sugar beets) Master Yields must be structured as follows:

(a) Existing Master Yields for the named insured county will be updated by adding the APH data for the 1996 APH crop year for the county. Refer to Par. 6, Example 2, Scenario 1.

(b) Master Yields must be established for each “new county.” The production history for the most recent APH crop year from each new county and replicated summarized actual yields and acres (ALL years from the previous year's Master Yield summaries within the base period) are used to establish the 1997 Master Yield summary database. Replicated actual yields used to complete the database are identified with an “X” yield type descriptor. In subsequent crop years, the Master Yield summary will be updated by adding the most recent crop year’s production history. Refer to Par. 6, Example 2, Scenario 2.

If the insured fails to provide the required production reports necessary to update the Master Yield, the Master Yield will be rejected and the approved APH Yield must be calculated using standard APH procedures. Assigned yields (under standard APH procedures) will be 75 percent of the prior year's Master Yield.

5 **Example 1- Standard APH**. The sugar beet application (in effect for the 1996 crop year) listed “County A” as the county insured; however, under the old county definition land located in County A and County B was insured under the same contract. The previous year's approved yield was calculated using standard APH procedure for the irrigated (IRR) practice in County A. The 1996 databases are shown below:

1996 Databases:

	County A-IRR Unit 0101			County A-IRR Unit 0102			County **A&B**-IRR **Unit 0200**		
Year	Prod.	Acres	Yield	Prod.	Acres	Yield	Prod.	Acres	Yield
1990	-	-	T28.5	-	-	T28.5	-	-	-
1991	-	0.0	Z	*2224	80.0	A27.8	*2120	80.0	A26.5
1992	*2264	80.0	A28.3	*1184	40.0	A29.6	*2700	100.0	A27.0
1993	*4800	160.0	A30.0	-	0.0	Z	-	0.0	Z
1994	-	0.0	Z	*3360	20.0	A28.0	*5040	180.0	A28.0
1995	*2328	80.0	A29.1	-	0.0	Z	*2160	80.0	A27.0
		115.9/4 = 29.0			113.9/4 = 28.5			108.5/4 = 27.1	

*@17% Sugar

SCENARIO 1: The insured did not wish to continue insurance in County B, did not submit an application for it, and did not request that prior years' production history for County A and B in unit 0200 be separated. For 1997, the insured must file individual unit production reports for County A and the insurance provider must update the existing applicable (County A) databases with that information. The sugar percentages are the same for both counties; thus, no adjustment in replicated yields was required. Yield limitations provisions are applicable. The following illustration provides examples of how to update the individual unit databases.

Updated 1997 Databases:

	County A-IRR Unit 0101			County A-IRR Unit 0102			County **A**-IRR **Unit 0200**		
Year	Prod.	Acres	Yield	Prod.	Acres	Yield	Prod.	Acres	Yield
1990	-	-	T28.5	-	-	-	-	-	-
1991	-	0.0	Z	*2224	80.0	A27.8	*2120	80.0	26.5
1992	*2264	80.0	A28.3	*1184	40.0	A29.6	*2700	100.0	A27.0
1993	*4800	160.0	A30.0	-	0.0	Z	-	0.0	Z
1994	-	0.0	Z	*3360	120.0	A28.0	*5040	180.0	A28.0
1995	*2328	80.0	A29.1	-	0.0	Z	*2160	80.0	A27.0
1996	-	0.0	Z	*2690	0.0	A26.9	*1920	80.0	A24.0
			115.9/4 = 29.0			112.3/4 = 28.1			132.5/5 = 26.5

*@ 17.0% Sugar

SCENARIO 2: This scenario uses the same basic information as provided for Example 1; however, the insured wished to continue insurance in both counties and signed an application for County B. For 1997, the insured reported 1996 production histories separately for each county but did not request that prior years' production history for County A and B (unit 0200) be separated. The existing County A database was updated with County A production history (see Scenario 1). A separate database was then established for County B. The 1996 County B actual yields and replicated acres and yields (taken from unit 0200's 1996 County A and B database) were used to establish a database for County B. Yield limitation provisions apply. The prior APH yield used for the comparison is 26.5 tons per acre.

County B (**Same** sugar percentage as County A):

	County B-IRR Unit 0101			County B-IRR Unit 0102		
Year	Prod.	Acres	Yield	Prod	Acres	Yield
1991	-	80.0	X26.5	-	80.0	X26.5
1992	-	100.0	X27.0	-	100.0	X27.0
1993	-	0.0	Z	-	-	Z
1994	-	180.0	X28.0	-	180.0	X28.0
1995	-	80.0	X27.0	-	80.0	X27.0
1996	*1566	60.0	A26.1	*1080	40.0	A27.0
			Total 134.6/5 = 26.9			Total 135.5/5 = 27.1

*@17.0% Sugar

6 **Example 2-Master Yields**. The application (in effect for the 1996 crop year) listed "County A" as the county insured; however, land located in County A and County B was insured under the same contract. A Master Yield was established for the irrigated (IRR) practice in County A. The individual unit databases and Master Yield summary for the 1996 crop year are shown below.

1996 Individual Unit Production Reports:

	County A-IRR Unit 0101			County AIRR Unit 0102			County **A&B**-IRR Unit 0200		
Year	Prod.	Acres	Yield	Prod.	Acres	Yield	Prod.	Acres	Yield
1991	-	0.0	Z	*2224	80.0	A27.8	*2120	80.0	A26.5
1992	*2264	80.0	A28.3	*1184	40.0	A29.6	*2700	100.0	A27.0
1993	*4800	160.0	A30.0	-	0.0	Z	-	0.0	Z
1994	-	0.0	Z	*3360	120.0	A28.0	*5040	180.0	A28.0
1995	*2328	80.0	A29.1	-	0.0	Z	*2160	80.0	A27.0

*@ 17.0% Sugar

1996 Master Yield Summary:

County A-IRR

Year	Prod.	Acres	Yield
1991	*4344	160.0	A27.2
1992	*6148	220.0	A28.0
1993	*4800	160.0	A30.0
1994	*8400	300.0	A28.0
1995	*4488	160.0	A28.1

*@17.0% Sugar Total: 141.3/5 = 28.3 (approved Master Yield)

SCENARIO 1: The insured did not wish to continue insurance in County B and did not submit an application for it. For 1997, the insured must file individual unit production reports for County A and the insurance provider must update the existing applicable (County A) Master Yields with that information. Yield limitation provisions are applicable. The following illustrations provide examples of how to update the individual unit databases and the Master Yield summary.

Updated 1997 Databases:

	County A-IRR Unit 0101			County A-IRR Unit 0102			County **A**-IRR **Unit 0200**		
Year	Prod.	Acres	Yield	Prod.	Acres	Yield	Prod.	Acres	Yield
1991	-	0.0	Z	*2224	80.0	A27.8	*2120	80.0	A26.5
1992	*2264	80.0	A28.3	*1184	40.0	A29.6	*2700	100.0	A27.0
1993	*4800	160.0	A30.0	-	0.0	Z	-	0.0	Z
1994	-	0.0	Z	*3360	120.0	A28.0	*5040	180.0	A28.0
1995	*2328	80.0	A29.1	-	0.0	Z	*2160	80.0	A27.0
1996	-	0.0	Z	*2690	100.0	A26.9	*1920	80.0	A24.0

*@ 17.0% Sugar

1997 Master Yield Summary:

Year	Prod.	Acres	Yield
1991	*4344	160.0	A27.2
1992	*6148	220.0	A28.0
1993	*4800	160.0	A30.0
1994	*8400	300.0	A28.0
1995	*4488	160.0	A28.1
1996	*4610	180.0	A25.7
*@17.0% Sugar		Total: 167.0/6 = 27.8	

SCENARIO 2: This scenario uses the same basic information as Example 2; however, the insured wished to continue insurance in both counties and signed an application for County B. For 1997, the insured reported 1996 production histories separately for each county. The insurance provider updated the existing Master Yields (County A) with County A production history (see Scenario 1). A separate Master Yield(s) was then established for County B. Yield limitation provisions apply. The 1996 APH actual yields from County B and replicated acres and yields (taken from the 1996 Master Yield summary applicable to County A) were used to establish the new Master Yield.

County B (**Same** sugar percentage as County A):

	County B-IRR Unit 0201			County B-IRR Unit 0202			County B-IRR Master Yield Summary		
Year	Prod.	Acres	Yield	Prod.	Acres	Yield	Prod	Acres	Yield
1991	-	-	-	-	-	-	-	160.0	X27.2
1992	-	-	-	-	-	-	-	220.0	X28.0
1993	-	-	-	-	-	-	-	160.0	X30.0
1994	-	-	-	-	-	-	-	300.0	X28.0
1995	-	-	-	-	-	-	-	160.0	X28.1
1996	*1566	60.0	A26.1	*1080	40.0	A27.0	*2646	100.0	A26.5
*@17.0 sugar								Total 167.8/6 = 28.0	

County B (**different** sugar percentage than County A **1**/):

	Unit 0201 (IRR)			Unit 0202 (IRR)			Master Yield Summary		
Year	Prod.	Acres	Yield	Prod.	Acres	Yield	Prod	Acres	Yield
1991	-	-	-	-	-	-	-	160.0	X28.0
1992	-	-	-	-	-	-	-	220.0	X28.8
1993	-	-	-	-	-	-	-	160.0	X30.9
1994	-	-	-	-	-	-	-	300.0	X28.8
1995	-	-	-	-	-	-	-	160.0	X28.9
1996	*1613	60.0	A26.1	*1122	40.0	A27.0	*2735	100.0	A27.4
*@16.5 Sugar								*Total 172.8/6 = 28.8	

1/ County A Sugar 17.0% ÷ County B Sugar 16.5% = 1.030
County A's Master Yield summary actual yields are multiplied times 1.030 and the adjusted yields are entered on County B's Master Yield summary. 1991 (27.2 X 1.030 = 28.0), 1992 (28.0 X 1.030 = 28.8), etc.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-016.1

TO: All Reinsured Companies
FSA Headquarters, Program Delivery and Field Operations
All Risk Management Field Offices

FROM: Tim B. Witt /s/ TBW 03/04/97
Acting Deputy Administrator

SUBJECT: Correction to Yield Type Descriptors

BACKGROUND:

Bulletin R&D-97-016 provided additional 1997 and 1998 actual production history (APH) and Master Yield instructions for carryover sugar beet and dry bean insureds. It indicated the use of an “X” yield type descriptor when actual yields or summarized actual yields (from the prior year's existing Master Yield) are replicated to a “new county” database. Use of the “X” yield type descriptor for this purpose will create data processing problems as the “X” yield type descriptor currently identifies 80 percent “T” Yields for forage producers who grow feed or forage primarily for on-farm use.

ACTION:

Use an “R” yield type descriptor to identify each actual or summarized actual yield (taken from the previous year's Master Yield Summary) replicated to a new county's database.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
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INFORMATIONAL MEMORAMDUM: R&D-97-017

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations - Information Only

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: 1997 Income Protection, Crop Revenue Coverage, and Revenue Assurance Price Announcements for Corn, Wheat, Grain Sorghum, and Soybeans and Implicit Volatility of Prices for Corn and Soybeans - Revenue Assurance

The following prices are approved for these plans of insurance and crops with March 15 sales closing dates.

Income Protection

Corn: The 1997 projected price for Income Protection (IP) Corn is $2.73 per bushel as defined in the Corn crop provisions.

Wheat: The 1997 projected price for Income Protection (IP) Wheat is $3.52 per bushel as defined in the Wheat crop provisions.

Soybeans: The 1997 projected price for Income Protection (IP) Soybeans is $6.97 per bushel as defined in the Soybean crop provisions.

Grain Sorghum: The 1997 projected price for Income Protection (IP) Grain Sorghum is $2.46 per bushel as defined in the Grain Sorghum crop provisions.

Crop Revenue Coverage

Corn: The 1997 base price for Crop Revenue Coverage (CRC) Corn is $2.59 per bushel as defined in the CRC Commodity Exchange Endorsement.

Grain Sorghum: The 1997 base price for Crop Revenue Coverage (CRC) Grain Sorghum is $2.46 per bushel as defined in the CRC Commodity Exchange Endorsement.

Spring Wheat: The 1997 base price for Crop Revenue Coverage (CRC) Spring Wheat is $3.43 per bushel as defined in the CRC Commodity Exchange Endorsement.

Soybeans: The 1997 base price for Crop Revenue Coverage (CRC) Soybeans is $6.62 per bushel as defined in the CRC Commodity Exchange Endorsement.

Revenue Assurance

Corn: According to the Revenue Assurance (RA) Corn crop provisions, the first step in determining the projected county price for corn is "to calculate the simple average of the final closing daily settlement prices in February on the Chicago Board of Trade (CBOT) December corn futures contract . . . for the current crop year." This simple average is $2.73 per bushel.

Soybeans: According to the Revenue Assurance (RA) Soybean crop provisions, the first step in determining the projected county price for soybeans is "to calculate the simple average of the final closing daily settlement prices in February on the Chicago Board of Trade (CBOT) . . .November soybean futures contract for the current crop year." This simple average is $6.97 per bushel.

Note: Projected county prices are derived by subtracting county-specific adjustment factors from the simple average of the final closing daily settlement prices. County specific adjustment factors are contained within the actuarial materials; therefore, **no** adjustment factor received from any other source should be used.

Implicit Volatility of Prices: One variable required to calculate the premium for Revenue Assurance is the implicit volatility of prices. This variable measures the risk of price changes. The actuarial materials released in February contained a preliminary estimate of this variable. The final values for 1997 are:

Corn: 0.19
Soybeans: 0.16

These final values must be used to calculate the correct amount of premium.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-019

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations - Information Only

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Crop Revenue Coverage (CRC) - Earliest Planting Date for 1997 Spring-Seeded Crops

BACKGROUND:

It has been brought to our attention that in some counties the CRC earliest planting date statement contained on the County Actuarial Table Special Provisions of Insurance is incorrect. In some counties the Multiple Peril Crop Insurance (MPCI) earliest planting date reflects 60 days prior to the final planting date while CRC reflects 30 days. The earliest planting date shown on the 1997 CRC County Actuarial Table Special Provisions for spring-seeded crops should be the same as that shown on the comparable 1997 MPCI crops for the particular county. We believe this discrepancy may only exist in certain counties in Nebraska.

ACTION:

The MPCI earliest planting date shown on the County Actuarial Table Special Provisions of Insurance, will also be applicable as the CRC earliest planting date for each specific county in which the CRC and MPCI earliest planting dates differ.

Reinsured Companies will not experience any processing difficulties as a result of this discrepancy.

United States Department of Agriculture
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Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-020

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ Tim B. Witt 03/24/97
Deputy Administrator

SUBJECT: 1997 Market Prices for Tobacco (Guaranteed Production Plan)
Endorsement and Quota Plan

The 1997 price support level for the purposes of Section 7b (1)(a) and Section 10d (1) of the Guaranteed Tobacco Endorsement 90-35 for tobacco types 11-14, 21, 22-23, 35-36,37, 54-55 are listed below:

Type	Support Price
11-14	$1.62
21	$1.50
22-23	$1.62
35-36	$1.40
37	$1.33
54-55	$1.17

The 1997 support price for type 31 (Quota) tobacco for the purposes of Section 4b of the Quota Plan of Tobacco Crop Insurance Policy 85-36 is $1.76 minus $0.06 per pound or $1.70 per pound. Six cents per pound is deducted for warehouse charges as specified in Section 4b in the Quota Plan.

United States Department of Agriculture
Risk Management Agency
Research and Development
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Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-021

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: 1996 Group Risk Plan Final Payments

Attached are the final payment yields and factors for 1996 Group Risk Plan corn, grain sorghum, soybeans, and wheat. Final payment yields have also been incorporated into the Actuarial Data Master. These payment yields and factors do not apply to Catastrophic Risk Protection for 1996. for Farm Service Agency offices, these yields and factors are for informational purposes only.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-022

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: 1998 Forage Seeding Crop Insurance Provisions

Attached is a copy of the Forage Seeding Crop Insurance Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes. Please refer to the provisions for more complete information.

- The premium adjustment table contained in the Forage Seeding Crop Insurance Policy has been omitted from the Forage Seeding Crop Provisions. Information regarding good experience discounts is now contained in the Special Provisions.

- Amended the definition of forage in section 1, to allow insurance coverage for non-grass forage species other than alfalfa and red clover (e.g., birdsfoot trefoil).

- Unit division provisions contained in section 2, allow spring and fall planted forage seeding acreage to qualify for optional units rather than basic units.

- The contract change date has changed from December 31 to November 30 for all counties that currently have April 15 cancellation and termination dates. This change is made to maintain an adequate time period between this date and the revised cancellation dates to permit the insured to make informed insurance decisions.

- Cancellation and termination dates have been changed from April 15 to March 15 in States and counties that currently have an April 15 date. These changes are made to standardize the cancellation and termination dates with the sales closing dates. The sales closing dates were changed to comply with the requirement of the Federal Crop Insurance Reform Act of 1994 that spring seeded crop sales closing dates be 30 days earlier than the previous April 15 date. The forage seeding crop provisions regarding spring and fall planted forage are now applicable for the State of Nevada.

- Section 6(d) allows coverage for forage seeding that is interplanted with another crop if allowed by the Special Provisions or by written agreement. This provides coverage for more forage seeding acreage and may reduce the need for protection under the non-insured assistance program.

- Clarifies that harvest is an event that ends the insurance period unless the Special Provisions contain a late harvest date. The date grazing commences or abandonment of the insured crop were added as events that end the insurance period.

- Section 9(h) allows failure of the irrigation water supply as an insurable cause of loss if such failure was caused by an insured peril that occurs during the insurance period.

- Added provisions for providing insurance coverage by written agreement.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-023

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Acting Deputy Administrator

SUBJECT: 1997 Data Acceptance System (DAS) Handbook

Attached is the 1997 Manual 13, Data Acceptance System and Reinsurance Accounting System Handbook updated to include the narrative, accounting exhibits and data reporting requirements for Revenue Assurance, CRC, IP, 1998 Florida Citrus and Avocadoes. Additional clarifications have been made on actuarial references, reporting requirements, and calculations. These issues were discussed at the November and February Data Processing Managers' meetings, as well as in follow-up conference calls and informational faxes. Each company is being provided two complete copies of the handbook.

The 1998 reinsurance year reporting requirements are expected to remain the same as in the 1997 Manual-13 other than the following known issues which were discussed and agreed upon at the February Data Processing Managers' Meeting.

The following will require new fields or edits based on current fields:

- Addition of policyholder signature date on the insurance in force, type 14 record.
- Beginning in 1998, the record key used to link the acreage to the yield record and the loss to the acreage record will include an unique number entered by the company on each record.
- Add a new field to facilitate the automated FCI-2 written agreement system.

Edit enhancements will include:

- An employee identification number can only be reported once within a policy.
- The unit guarantee and liability on the loss record cannot exceed the unit guarantee and liability established by the acreage records.
- Validate the state and county with the zip code on the agent record.

Additional modifications may be required to implement any changes contained in the 1998 Standard Reinsurance Agreement.

United States Department of Agriculture
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Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-024

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ Tim B. Witt 03/28/97
Acting Deputy Administrator

SUBJECT: 1998 Forage Production Crop Insurance Provisions

Attached is a copy of the Forage Production Crop Insurance Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes. Please refer to the provisions for more complete information.

- Section 1 added a definition for the term "adequate stand" to specify that the minimum number of forage plants required for insurance to attach will be contained in the Special Provisions. This definition allows for regional differences in forage plant population.

- Section 1 clarifies the definition of "air-dry forage" which references 18 percent moisture as the basis for converting forage to an air-dry equivalent. This has been changed to 13 percent because of a typing error.

- Section 1 added a definition for the term "fall planted" to specify that forage planted after June 30 will be considered fall planted forage.

- Section 1 amended the definition of "forage" to allow insurance coverage for non-grass forage species other than alfalfa and red clover (e.g., birdsfoot trefoil).

- Section 1 added a definition for the term "spring planted" to specify that forage planted before July 1 will be considered spring planted forage.

- Section 1 amended the definition of "harvest" to specify that grazing will not be considered harvested because insurance coverage is only provided for forage that is grown for the purpose of livestock feed.

- Section 2 clarifies that optional units are not available for forage production.

- Section 3(a) clarifies that an insured may select only one price election for all the forage production in the county insured under the policy, unless the Special Provisions provide different price elections by type, in which case the insured may select one price election for each forage type designated in the Special Provisions.

- Section 3(b) clarifies that an insured must report, by the production reporting date, the total production harvested from insurable acreage for all cuttings for each unit.

- The contract change date has changed from August 15 to June 30. The change eliminates the distribution of actuarial materials separately for this crop, thereby simplifying the crop insurance program and reducing administrative overhead costs.

- Cancellation and termination dates have changed from November 30 to September 30. The sales closing date for the 1998 crop year is also changed to September 30. This change will allow the insurer to inspect any forage acreage under more favorable conditions to determine that an adequate stand exists prior to accepting an application.

- Section 6 specifies that an insured must submit separate acreage reports for acreage insured under the Forage Production Winter Coverage Endorsement and for all other forage acreage on or before the acreage reporting dates contained in the Special Provisions. Separate fall and spring acreage reports are necessary because insurance attaches in the fall for acreage insured under the Forage Production Winter Coverage Endorsement and in the spring for all other forage acreage.

- Section 7(b)(1) specifies that we will not insure any forage that does not have an adequate stand at the beginning of the insurance period.

- Section 7(b)(3) specifies that we will not insure forage that exceeds the age limitation for forage stands contained in the Special Provisions. This change eliminates the provision that allows overage stands of forage to be insured by written agreement.

- Section 8 provides different calendar dates for the beginning of the insurance period for acreage covered under the Forage Production Winter Coverage Endorsement. This change was necessary due to the addition of the new Forage Production Winter Coverage Endorsement.

- Section 12 added provisions for providing insurance coverage by written agreement.

- Added a new Forage Production Winter Coverage Endorsement. This endorsement will provide optional winter coverage in any county for which the actuarial table designates forage production premium and rates when the insured elects the endorsement by the sales closing date. Allowing winter protection only when the insured elects the winter coverage will result in separate premium rates for insureds who elect the winter coverage.

If you have any questions, please contact Dave Clauser of the Product Development Division at(816) 926-7730.

Attachment--ENTIRE BULLETIN AND ATTACHMENT WILL BE MAILED

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-025

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Fresh Market Tomato (Dollar Plan) Crop Insurance Provisions

Attached is a copy of the Fresh Market Tomato (Dollar Plan) Crop Insurance Provisions effective for the 1998 and succeeding crop years. A brief description of the significant changes to these provisions follows. Please refer to the provisions for complete information.

- Section 1 clarifies the definition of crop year by stating that the crop year begins on the first day of the earliest planting period for fall-planted tomatoes and continues through the end of the insurance period for spring-planted tomatoes.

- Section 1 clarifies the definition of excess rain to specify that it is an amount of precipitation that is sufficient to directly damage the crop. Previous regulations defined excessive rain as a minimum of 10 inches of rain within a 24-hour period. This change will provide coverage for crop damage that occurs when a lesser amount of precipitation is received.

- Section 1 changes the definition of freeze to specify that freeze occurs when low air temperatures cause ice to form in the cells of the plant or its fruit to encompass conditions found in both frost and freeze.

- Section 1 changes the definition of harvest to clarify and remove the term marketable. Tomatoes picked from the vine are considered harvested whether marketable or not.

- Section 1 amends the definition of potential production to include the number of cartons of tomatoes that would have been produced by the end of the insurance period and has a classification size as allowed by written agreement for cherry or plum tomatoes.

- Section 3(a) clarifies that an insured may select only one coverage level (and the corresponding amount of insurance designated in the Actuarial Table for the applicable planting period and practice) for all the tomatoes planted in the county insured under the policy.

- Section 3(b) clarifies that the amounts of insurance the insured chooses for each planting period and practice must have the same percentage relationship to the maximum amount of insurance offered by FCIC for each planting period and practice.

- Section 6(b) specifies that the insured must report on or before the acreage reporting date for each planting period, all the dates the acreage was planted within each planting period.

- Section 8(c)(4) clarifies that plum or cherry tomatoes are not insurable unless allowed by a written agreement. Previous regulations did not provide crop insurance coverage for plum or cherry tomatoes. This change will allow expansion of fresh market tomato crop insurance coverage into other areas.

- Section 9(b)(2) allows an insured to elect not to replant damaged tomatoes that were initially planted within the fall or winter planting periods, provided the final planting date for the planting period has passed and damage occurs after 30 days of transplanting or after 60 days of direct seeding. With this election, the insured may collect an indemnity and that particular acreage will be uninsurable for the next planting period. The insured may also elect to replant such tomato acreage, collect a replanting payment under section 12, and maintain the initial planting period coverage. This change incorporates and standardizes procedures utilized in the fresh market vegetable crops.

- Section 9(b)(3) clarifies that any acreage previously planted to tomatoes (except for replanted tomatoes), peppers, eggplants, or tobacco is not insurable unless the soil has been fumigated or properly treated before planting peppers.

- Section 10(f)(2) changes the calendar date for the end of the insurance period from 140 days to 125 days after the date of transplanting or replanting with transplants. This change incorporates the actual number of days for transplanted tomatoes to reach maturity and for the crop to be harvested.

- Section 11(a)(6) replaced cyclone with tropical depression as an insured cause of loss. This change will standardize tropical depression as an insured cause of loss among fresh market vegetable crops. A tropical depression as defined in the crop provisions includes tropical storms, gales, and hurricanes.

- Section 11(b)(1) specifies that disease and insect infestation are not an insured cause of loss, unless no effective control measure exists for such disease or insect infestation.

- Section 12(b) specifies the maximum amount of the replanting payment per acre will be the lesser of the actual cost of replanting, or the result obtained by multiplying the per acre replanting payment amount contained in the Special Provisions by the insured share. This change will allow the flexibility to set the amount at appropriate levels.

- Section 14(b)(2) modifies the claim for indemnity calculations by providing calculations for catastrophic risk protection coverage and for coverage other than catastrophic risk protection. This provision includes the use of the catastrophic risk protection price election equivalent to determine the total dollar of production to count for indemnity purposes. This change is necessary to assure that producers that are insured based on a dollar amount of insurance are indemnified comparable to producers that are insured based on an actual production history (APH) yield basis.

- Section 14(c) removes the provision requiring that unharvested potential production in excess of 30 cartons after the second harvest for ground culture tomatoes (third harvest for staked tomatoes) be included in the value of appraised production to be counted. Consistent with other fresh market vegetable crops, this provision will be contained in the loss adjustment procedures.

- Section 14(c)(2)(iv) requires the insured to continue to care for acreage when the insured does not agree with the appraisal on that acreage. Production to count for such acreage will be determined using the harvested production if the crop is harvested, or our reappraisal if the crop is not harvested.

- Section 14(c)(3) changes the value to count for harvested production to the dollar amount obtained by subtracting the allowable cost from the price received (this resulting price must not be less than the minimum value shown in the Special Provisions), and multiplying this result by the number of cartons harvested. Current regulations allow the value of sold production to be as low as zero. Also, clarifies that harvested mature tomatoes that are damaged or defective due to insurable causes and are not marketable will not be counted as production. These changes are made to assure that the minimum value specified in the Special Provisions will be the lowest value considered for any marketable harvested production unless the insured selected the minimum value option.

- Section 15 adds provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

- Section 16 permits the insured to select the minimum value option by electing Option I or Option II on the application. A separate form no longer will be required.

- Section 16(b)(1)(i) clarifies that the minimum value option price for Option I will be contained in the Special Provisions. This change will allow FCIC the flexibility to set the amount at the appropriate level.

If you have any questions, please contact Dave Clauser of the Product Development Division at (816) 926-7730.

Attachment

United States Department of Agriculture | Risk Management Agency | Research and Development | P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-026

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Fresh Market Sweet Corn Crop Insurance Provisions

Attached is a copy of the Fresh Market Sweet Corn Crop Insurance Provisions effective for the 1998 and succeeding crop years. A brief description of the significant changes to these provisions follows. Please refer to the provisions for complete information.

- Section 1 adds the definition of container to specify that a container is the unit of measure of the insured crop as specified in the Special Provisions. Harvested and unharvested production was determined in previous regulations by the number of 42-pound crates. This change will allow expansion into areas utilizing other units of measure for production.

- Section 1 clarifies the definition of crop year by stating that the crop year begins on the first day of the earliest planting period for fall-planted sweet corn and continues through the end of the insurance period for spring-planted sweet corn.

- Section 1 clarifies the definition of excess wind to specify that excess wind is wind speeds strong enough to prevent adequate pollination or cause lodging of stalks and prevent a normal harvest. Previous regulations provided coverage of excess wind which occurred in conjunction with a cyclone.

- Section 1 changes the definition of freeze to specify that freeze occurs when low air temperatures cause ice to form in the cells of the plant or its fruit to encompass conditions found in both frost and freeze.

- Section 1 changes the definition of harvest to clarify and remove the term marketable. Sweet corn picked from the stalk is considered harvested whether marketable or not.

- Section 3(a) clarifies that an insured may select only one coverage level (and the corresponding amount of insurance designated in the Actuarial Table for the applicable planting period and practice) for all the sweet corn in the county insured under the policy.

- Section 3(b) clarifies that the amounts of insurance the insured chooses for each planting period and practice must have the same percentage relationship to the maximum amount of insurance offered by FCIC for each planting period and practice.

- Section 5 changes the cancellation and termination dates to March 15 for all States that currently have an April 15 date. This change is necessary to standardize the cancellation and termination dates with the sales closing dates that were changed for spring planted crops to comply with the requirements of the Federal Crop Insurance Reform Act of 1994. To allow sweet corn crop expansion into other areas, Berrien County, Georgia, has been added to the Georgia counties that have July 31 cancellation and termination dates. The July 31 cancellation and termination dates for Berrien County, Georgia, coincide with production practices of other Georgia counties with that same date.

- Section 8(b)(3) clarifies that the insured crop will be grown under an irrigated practice, unless otherwise provided in the Special Provisions. This change will allow expansion in other areas as appropriate.

- Section 9(a) adds a provision that will provide coverage on newly cleared land or former pasture land that is planted to fresh market sweet corn. It is a recognized practice to plant the insured crop on tilled acreage that has been newly cleared or has been pasture land to eliminate some of the risk of disease and insect damage. This change also will standardize current regulations for the fresh market vegetable crops.

- Section 9(b)(2) allows an insured to elect not to replant damaged sweet corn that is initially planted within the fall or winter planting periods, provided the final planting date for the planting period has passed. With this election, the insured may collect an indemnity and that particular acreage will be uninsurable for the next planting period. The insured may also elect to replant such sweet corn acreage, collect a replanting payment under section 12, and maintain the initial planting period coverage. This change incorporates and standardizes procedures utilized in the fresh market vegetable crops.

- Section 10(f) adds the calendar date for the end of the insurance period in the sweet corn crop provisions and has been established as 100 days after the date of planting or replanting. This change incorporates the actual number of days for sweet corn to reach maturity and for the crop to be harvested. This change will also standardize provisions to that of other crop insurance policies. Currently, the calendar date for the end of the insurance period is contained in the Actuarial Table.

- Section 11(a) adds excess rain and excess wind as insurable causes of loss. Current regulations allow these causes to be covered only if they occur in conjunction with a cyclone. Removal of the requirement that these causes of loss must occur in conjunction with a cyclone will provide coverages for crop damage that is not associated with a cyclone.

- Section 11(b)(1) specifies that disease and insect infestation are not an insured cause of loss, unless no effective control measure exists for such disease or insect infestation.

- Section 12(b) specifies the maximum amount of the replanting payment per acre will be the lesser of the actual cost of replanting, or the result obtained by multiplying the per acre replanting payment amount contained in the Special Provisions by the insured share. This change will allow the flexibility to set the amount at appropriate levels.

- Section 13 changes notice of damage or loss requirements to require that if the insured intends to claim an indemnity on any unit, notice must be given within 72 hours after the earliest of:
  discontinuance of harvest of any acreage on the unit; the date harvest would normally start if any acreage on the unit will not be harvested; or the calendar date for the end of the insurance period. This change will standardize provisions found in all fresh market vegetable crop policies.

- Section 14(b)(2) modifies the claim for indemnity calculations by providing calculations for catastrophic risk protection coverage and for coverage other than catastrophic risk protection. This provision includes the use of the catastrophic risk protection price election equivalent to determine the total dollar of production to count for indemnity purposes. This change is necessary to assure that producers that are insured based on a dollar amount of insurance are indemnified comparable to producers that are insured based on an actual production history (APH) yield basis.

- Section 14(c)(1) clarifies that the insured will receive not less than the amount of insurance per acre for the applicable stage for acreage that is: abandoned; put to another use without the insurance provider's consent; damaged solely by uninsured causes, or for which the insured fails to provide production records. Current regulations require that not less than the final stage dollar amount of insurance be assessed for such acreage. This change allows for either the first stage amount of insurance or the final stage amount of insurance to be assessed against such acreage, depending on the growth stage of the crop when the event occurred. This change will standardize the provisions found in all fresh market vegetable crops.

- Section 14(c)(2)(iii) requires the insured to continue to care for acreage when the insured does not agree with the appraisal on that acreage. Production to count for such acreage will be determined using the harvested production if the crop is harvested, or our reappraisal if the crop is not harvested.

- Section 14(c)(3) changes the value to count for harvested production to the dollar amount obtained by subtracting the allowable cost from the price received (this resulting price must not be less than the minimum value shown in the Special Provisions), and multiplying this result by the number of containers harvested. Current regulations allow the value of sold production to be as low as zero. Also, clarifies that harvested mature sweet corn that is damaged or defective due to insurable causes and is not marketable will not be counted as production. These changes are made to assure that the minimum value specified in the Special Provisions will be the lowest value considered for any marketable harvested production unless the insured selected the minimum value option.

- Section 15 adds provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

- Section 16 adds a minimum value option. The option allows the value of each harvested container to be as low as zero. This option is selected on the insurance application. This change will provide consistency in regulations found in other fresh market vegetable crops.

If you have any questions, please contact David Clauser of the Product Development Division at (816) 926-7730.

Attachment

United States Department of Agriculture | Risk Management Agency | Research and Development | P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-027

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Fresh Market Pepper Crop Insurance Provisions

Attached is a copy of the Fresh Market Pepper Crop Insurance Provisions effective for the 1998 and succeeding crop years. A brief description of the significant changes to these provisions follows. Please refer to the provisions for complete information.

- Section 1 clarifies the definition of crop year by stating that the crop year begins on the first day of the earliest planting period for fall-planted peppers and continues through the end of the insurance period for spring-planted peppers.

- Section 1 changes the definition of excess rain to specify that it is an amount of precipitation that is sufficient to directly damage the crop. Previous regulations defined excessive rain as a minimum of 10 inches of rain within a 24-hour period. This change will provide coverage for crop damage that occurs when a lesser amount of precipitation is received.

- Section 1 changes the definition of freeze to specify that freeze occurs when low air temperatures cause ice to form in the cells of the plant or its fruit to encompass conditions found in both frost and freeze.

- Section 1 changes the definition of harvest to clarify and remove the term marketable. Peppers picked from the plant are considered harvested whether marketable or not.

- Section 1 changes the definition of tropical depression to specify that it is a system identified by the U.S. Weather Service as a tropical depression and includes tropical storms, gales, and hurricanes.

- Section 3(a) clarifies that an insured may select only one coverage level (and the corresponding amount of insurance designated in the Actuarial Table for the applicable planting period and practice) for all the fresh market peppers in the county insured under the policy.

- Section 3(b) clarifies that the amounts of insurance the insured chooses for each planting period and practice must have the same percentage relationship to the maximum amount of insurance offered by FCIC for each planting period and practice.

- Section 3(d) adds language listing three stages of coverage for direct seeded and transplanted acreage. This language was previously contained in the actuarial documents.

- Section 6(b) specifies that the insured must report on or before the acreage reporting date for each planting period, all the dates the acreage was planted within each planting period.

- Section 9(a) adds a provision that provides coverage on newly cleared land or former pasture land that is planted to fresh market peppers. It is a recognized practice to plant the insured crop on tilled acreage that has been newly cleared or that has been pasture land to eliminate some of the risk of disease and insect damage. This change also will standardize current regulations for the fresh market vegetable crops.

- Section 9(b)(2) allows an insured to elect not to replant damaged peppers that were initially planted within the fall or winter planting periods, provided the final planting date for the planting period has passed and damage occurs after 30 days of transplanting or after 60 days of direct seeding. With this election, the insured may collect an indemnity and that particular acreage will be uninsurable for the next planting period. The insured may also elect to replant such pepper acreage, collect a replanting payment under section 12, and maintain the initial planting period coverage. This change incorporates and standardizes procedures utilized in the fresh market vegetable crops.

- Section 9(b)(3) clarifies that any acreage previously planted to peppers (except for replanted peppers), tomatoes, eggplants, or tobacco is not insurable unless the soil has been fumigated or properly treated before planting peppers.

- Section 10(f)(1) changes the calendar date for the end of the insurance period from 150 days to 165 days after the date of direct seeding or replanting with seed. This change will allow expansion of pepper crop insurance coverage into other areas.

- Section 11(b)(1) specifies that disease and insect infestation are not an insured cause of loss, unless no effective control measure exists for such disease or insect infestation.

- Section 12(b) specifies the maximum amount of the replanting payment per acre will be the lesser of the actual cost of replanting, or the result obtained by multiplying the per acre replanting payment amount contained in the Special Provisions by the insured shared. This change will allow the flexibility to set the amount at appropriate levels.

- Section 14(b)(2) modifies the claim for indemnity calculations by providing calculations for catastrophic risk protection coverage and for coverage other than catastrophic risk protection. This provision includes the use of the catastrophic risk protection price election equivalent to determine the total dollar of production to count for indemnity purposes. This change is necessary to assure that producers that are insured based on a dollar amount of insurance are indemnified comparable to producers that are insured based on an actual production history (APH) yield basis.

- Section 14(c)(2)(iv) requires the insured to continue to care for acreage when the insured does not agree with the appraisal on that acreage. Production to count for such acreage will be determined using the harvested production if the crop is harvested, or our reappraisal if the crop is not harvested.

- Section 14(c)(3) changes the value to count for harvested production to the dollar amount obtained by subtracting the allowable cost from the price received (this resulting price must not be less than the minimum value shown in the Special Provisions), and multiplying this result by the number of boxes harvested. Current regulations allow the value of sold production to be as low as zero. Also, clarifies that harvested mature bell peppers that are damaged or defective due to insurable causes and are not marketable will not be counted as production. These changes are made to assure that the minimum value specified in the Special Provisions will be the lowest value considered for any marketable harvested production unless the insured selected the minimum value option.

- Section 15 adds provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

- Section 16 adds two minimum value options. The options will allow the value of each harvested box to be not less than the minimum value option price contained in the Special Provisions, or as low as zero. The options are selected on the insurance application. This change will provide consistency in regulations found in other fresh market vegetable crops.

If you have any questions, please contact David Clauser of the Product Development Division at (816) 926-7730.

Attachment

United States Department of Agriculture | Risk Management Agency | Research and Development | P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-028

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1997 Raisin Crop Insurance Provisions

Attached is a copy of the Raisin Crop Provisions that will be effective for the 1997 and succeeding crop years. The following is a brief description of the significant changes to these provisions. Please refer to the provisions for more complete information.

- Section 3(c)(2) specifies that when production from a portion of a unit is removed from the vineyard and production from the remaining acreage is lost in the vineyard, the amount of production lost in the vineyard will be based on the number of tons produced on the acreage from which production was removed. Also specifies that when all production is damaged and not removed from the vineyard, the amount of raisin tonnage lost in the vineyard will be determined by an appraisal. Tray counts and weights, previously used to establish the amount of an appraisal, are not always reliable and will no longer be used. Instead, an amount of appraised production per vine will be determined, and this amount will be multiplied by the number of vines to determine the total amount of appraised production.

- Section 3(c)(3) adds provisions indicating that raisins containing moisture in excess of 24.3 percent at the time of delivery, and released for a use other than dry edible fruit (e.g., distillery material), will be considered to contain 24.3 percent moisture.

- Section 6(a) adds provisions that require the insured to report raisin acreage on or before the sales closing date.

- Section 6(b) specifies that raisin acreage acquired after the acreage was reported may be included on the acreage report if the insurance provider agrees to accept the additional acreage. Such acreage cannot be added to the acreage report after the insured first places raisins from the additional acreage on trays for drying. Failure to report any acreage in which the insured has a share will result in denial of liability. If an insured elects not to produce raisins on any part of the acreage included on the acreage report, they must notify their insurance provider in writing on or before September 21, and provide any records the company may require to verify that raisins were not produced on that acreage.

- Section 11(a) specifies that if it is not practical to recondition damaged production, the insurance provider may determine the number of tons meeting Raisin Administrative Committee (RAC) standards that could be obtained if the production were reconditioned.

- Section 11(c) added provisions that authorize a reconditioning payment when raisins are damaged by rain and found to contain mold, embedded sand, or other rain-caused contamination determined by micro-analysis in excess of standards established by the RAC, or are found to contain moisture in excess of 18 percent.

- Section 12 (a) added provisions specifying the information required from the insured when providing a notice of damage.

- Section 13(c) specifies that for the purpose of establishing an indemnity, the insured’s share cannot exceed the lesser of their share at the time insurance attaches or at the time of loss.

- Section 13(g) specifies that raisins damaged and discarded from trays or that are lost from trays scattered in the vineyard as part of normal handling will not be considered to have any value.

- Section 14 adds provisions for providing insurance coverage by written agreement.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-029

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1996 Group Risk Plan Final Payments

Attached are the final payment yields and factors for 1996 Group Risk Plan forage production. Final payment yields have also been incorporated into the Actuarial Data Master. For Farm Service Agency offices, these yields and factors are for informational purposes only.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-030

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Determination of Florida Citrus Fruit Acreage for the 1998 Crop Year

BACKGROUND:

The Florida Citrus Actuarial Table provides different amounts of insurance by tree age. The minimum insurable tree age is 5 years. Questions concerning the determination of insurable acreage and amount of insurance when different ages of trees exist within the same acreage have recently surfaced.

ACTION:

The following instructions are to be used for determining the amount of insurance and insurable acreage for the acreage report, the grove inspection, and loss claims for Florida citrus fruit. These instructions will remain in effect until incorporated into the Acreage Report Handbook (M8-667) and the Florida Citrus Handbook (30140).

1. All acreage determinations/measurements for Florida citrus fruit will be based on land acres.

2. The insured acreage cannot exceed the physical amount of land acreage. If a producer interplants two citrus crops, the acreage will be prorated according to the percentage of the insurable land acres occupied by the crops interplanted. (See policy for definition of "interplanted.")

   EXAMPLE 1: A producer has 10 acres of grapefruit planted at a spacing of 30 feet x 30 feet and decides to interplant with early oranges. Orange trees are interplanted between the grapefruit trees within the row. The tree spacing has been changed to 30 feet x 15 feet, but there is no increase in the acreage. There is a 5-acre unit of early oranges and a 5-acre unit of grapefruit, **NOT** 10 acres of each.

NOTE: The same instructions apply if more than one citrus fruit is planted on the same acreage; e.g., 10 acres of early (011) and mid-season oranges (012) (50-50 mix) does not represent 10 acres of early oranges and 10 acres of mid-season oranges.

3. Insurable acreage and the amount of insurance within a unit will be determined on a plot basis. A plot (block) is a homogenous planting pattern of a citrus crop that may or may not consist of different tree age classes (0 to 4 years, 5 years, 6-8 years, or 9 years and above). For age classes within the plot that cannot be separately plotted (subplots), use the age class with the greatest percentage of trees in the plot to determine insurable acreage and the amount of insurance. If age classes within a plot can be separately plotted (drawn out), the insurable acreage and amount of insurance are determined for each age class and reported on that basis.

EXAMPLE 2: A producer has a grove of grapefruit trees. Through attrition, some of the trees older than 9 years have been replaced with trees that are in the 1-4 and 6-8-year-old age classes. These trees are planted in a random pattern in a 30- x 30-foot tree spacing. Separate plots, by age class, cannot be determined. The 9-year or older trees represent the largest percentage in the plot; therefore, the grove will be insured as 9-year-old trees.

If a specific plot could be identified for any age group listed above, that age group MUST BE separately reported to determine the guarantee and insurable acreage.

NOTE: The unit may consist of several plots of the same citrus crop. Each unit and each plot (subplot) within a unit must be separately listed and the amount of insurance and insurability determined accordingly.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-031

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1997 Dry Bean Questions and Answers

BACKGROUND:

The new dry bean policy (97024) in effect for the 1997 crop year allows insureds to select a price election or varying percentages of the maximum price offered for each type. The selection of price elections must be made by the sales closing date. This feature of the new policy has generated questions that are answered by this memorandum. Insurance providers should provide this information to sales agents and claims adjustment personnel.

1. Question - How are administrative fees determined when limited coverage (65 percent coverage level at less than 100 percent of the maximum price election) is selected for one dry bean type and additional coverage (no less than the 65 percent coverage level at 100 percent of the maximum price election) is selected for another type?

   Answer - If an insured selects prices that result in both limited and additional coverage on the same contract, a $50 administrative fee will be due.

2. Question - What price election will apply if an insured plants a type of dry bean that was not originally intended to be planted and no price election was selected for the type by the sales closing date? For example, the insured selects 80 percent of the maximum price election for navy beans, and 70 percent of the maximum price election for dark red kidney beans; however, the insured plants large lima beans instead of the dark red kidneys.

   Answer - If an insured plants a dry bean type for which a price election was not chosen by the sales closing date, the price election for that type cannot exceed the largest percentage (whether chosen by the insured or the ratio of the chosen price to the maximum price election for any other type) that applies to the insurance contract for the crop year when the acreage report is timely filed. For the above example, the insured would be limited to 80 percent of the maximum price election for any insurable dry bean type.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64131-6293

INFORMATIONAL MEMORANDUM: R&D-97-032

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Clarification of Nonstandard Classification System (NCS) for Crop Revenue Coverage (CRC) and Revenue Assurance (RA)

BACKGROUND:

Research and Development has received several requests for clarification of issues related to the impact of NCS on the availability of CRC and RA coverage and determination of CRC.

CLARIFICATION - NCS Determinations

The CRC and RA insurance policies state that a producer who is also identified in NCS is not eligible to participate in these programs. A producer is considered identified in NCS when:

1. Listed under NCS.
2. Sharing with a person listed under NCS.
3. An entity that contains a person listed under NCS who holds a substantial beneficial interest in the entity and is actively engaged in the farming operation.
4. Farming land listed under NCS. A High Risk Land Exclusion Option to exclude such land may not be used in order to qualify for CRC or RA coverage.

A producer who cash rents lands (100 percent interest) from a person identified in NCS is not affected by the NCS classification of the listed person. The producer is therefore eligible for CRC and RA coverage.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-033

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ R. E. Waggoner (for) 04/29/97
Deputy Administrator

SUBJECT: Grain Standards Handbook

BACKGROUND:

In the past, the Risk Management Agency (RMA) has distributed the Official United States Standards for Grain (Grain Standards) - Grain Standards Handbook prepared by Federal Grain Inspection Service (FGIS). The handbook is now available on the Internet at http://www.usda.gov/gipsa. You may also request copies by contacting:

Animal and Plant Health Inspection Services (APHIS)
MSD-HSB, PDMS
Room 1A28, 4700 River Road
Riverdale, Maryland 20737
Telephone (301) 734-5523

Also, the Agricultural Marketing Service (AMS) has recently made its quality standards for hundreds of agricultural products available on the Internet at http://www.ams.usda.gov/standards.

ACTION:

Since this information is available from the above sources, RMA will no longer distribute the Grain Standards Handbook. Obtain these and future updates through the Internet or through APHIS. We have been notified of changes to the barley standards, effective June 1, 1997, and updated on the Internet.

We will advise of any changes to the grain standards that affect loss adjustment. If you become aware of any changes, please notify us.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-035

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Addendum - 1998 Actuarial Table (Special Provisions)

This is an addendum to the 1998 Actuarial Table (Special Provisions) for counties with an April 15, May 31 and June 30 contract change date. This list includes the price elections for canola, forage production, potatoes for Florida, rapeseed, and sugar beets for Imperial county, California.

The following information should be provided to all producers for the applicable crops prior to the sales closing date.

CROP	CAT PRICE	PRICE ELECTION	UNITS
CANOLA	$ 0.07	$ 0.11	Pound
FORAGE PRODUCTION			
California	$59.40	$ 99.00	Ton
Colorado	$48.60	$ 81.00	
Idaho	$49.80	$ 83.00	
Iowa	$49.80	$ 83.00	
Minnesota	$43.20	$ 72.00	
Montana	$40.20	$ 67.00	
Nevada	$55.20	$ 92.00	
New Hampshire	$66.60	$111.00	
New York	$51.00	$ 85.00	
North Dakota	$27.60	$ 46.00	
Oregon	$58.80	$ 98.00	
Pennsylvania	$60.00	$100.00	
South Dakota	$36.60	$ 61.00	
Utah	$40.20	$ 67.00	
Washington			
Kittitas County			
Grass Mixture	$71.40	$119.00	
Alfalfa	$54.60	$ 91.00	
Other Counties	$54.60	$ 91.00	

CROP	CAT PRICE	PRICE ELECTION	UNITS
FORAGE PRODUCTION			
Wisconsin	$42.60	$ 71.00	
Wyoming	$43.80	$ 73.00	
POTATOES			
Florida:			
Collier, Dade, Hendry and Lee			
Tablestock Whites and Reds	$12.60	$21.00	Cwt
Russets & all chip white varieties	$ 4.80	$ 8.00	
Charlotte, DeSoto, Highlands, St. Lucie, Manatee, and Okeechobee			
Tablestock Whites and Reds	$10.20	$17.00	Cwt
Russets & all chip white varieties	$ 4.80	$ 8.00	
SUGAR BEETS			
California			
Imperial County	$24.00	$40.00	Ton

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-036

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Revenue Assurance - Loss Adjustment Supplemental Handbook

BACKGROUND:

The Iowa Farm Bureau has developed a Revenue Assurance Coverage Loss Adjustment Supplemental Handbook. This handbook contains procedures for Revenue Assurance (RA) corn and soybeans that are unique to RA and provides instructions for using existing Production Worksheets and Proof of Loss forms to document RA claim calculations. All production determinations for RA corn and soybeans are identical to traditional multiple peril crop insurance; therefore, existing loss adjustment manuals are applicable to RA. However, RA provisions regarding whole farm and enterprise units and provisions requiring the conversion of production information into dollar values resulted in Iowa Farm Bureau developing supplemental loss instructions.

ACTION:

In conjunction with the Iowa Farm Bureau, the Risk Management Agency (RMA) is providing the RA Loss Adjustment Supplemental Handbook for corn and soybeans to all insurance providers. Insurance providers may find the RA Loss Adjustment Supplemental Handbook helpful and can obtain a copy from the Reporting Organization (RO) Server in the "/Revenue_Assurance" directory as "97RABOOK.ZIP."

If you have any questions related to the RO Server, please contact Reid Earls at (816) 926-6368. If you have any questions related to the content of the handbook, please contact the Product Development Division at (816) 926-7387.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-037

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ Tim B. Witt 05/27/97
Deputy Administrator

SUBJECT: 1998 Onion Crop Insurance Provisions

Attached is a copy of the Onion Crop Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are available on the Reporting Organization (RO) Server also. Please refer to the provisions for more complete information.

- Changed the term "third stage" to "final stage" throughout the text for clarification.

- Section 1 added the terms "storage onions" and "non-storage onions." Also redefined the term "onion production" and added the term "damaged onion production" to base onion production on U.S. No. 1 or any other standards contained in the Special Provisions for storage onions, and any applicable marketing order or other standards contained in the Special Provisions for non-storage onions.

- Section 2, unit division provisions, provides for optional units by type as shown in the Special Provisions. Previously types were listed in the Onion Endorsement. These provisions state the insured's reporting responsibilities to qualify for optional units and allow optional units for irrigated and non-irrigated acreage.

- Section 3(a) specifies that the insured may select only one price election for all the onions in the county insured under the policy, unless the Special Provisions provide different price elections by type, in which case the insured may select one price election for each onion type. The price elections selected are required to have the same percentage relationship to the maximum price offered for each type.

- Section 3(b) adds provisions that allow insurance for the onion crop in three stages and provides the percentage of coverage and the qualifications for each stage based on producer input and appropriate insurer liability. Also modified the language to read "Stages will be determined on an acre basis and 75 percent of the plants on such acreage must be at the same stage to qualify for the applicable stage guarantee." In the Proposed Rule the language describing stages 2 and 3 read "...25 percent of the acreage in the unit... ." Stages are now on an acre basis rather than a unit basis.

- Section 4 adds a June 30 contract change date for states and counties with an August 31 cancellation date and change the contract change date to November 30 preceding the cancellation date for the other states and counties. This maintains an adequate time period between this date and the cancellation date revised to correspond to the change in the sales closing date and comply with the Federal Crop Insurance Reform Act of 1994, and allows producers sufficient time to make informed risk management decisions. The current contract change date is December 31.

- Section 5 adds an August 31 cancellation and termination date for counties with fall seeded non-storage type onions. The cancellation and termination dates have been changed to February 1 for all other onions in all states and counties. These changes are intended to minimize program vulnerabilities which may exist because insureds may be able to anticipate below normal yields and to implement amendments to the Federal Crop Insurance Act made by the Federal Crop Insurance Reform Act of 1994.

- Section 6 revises the annual premium section to clarify that the premium is based on the final stage production guarantee.

- Section 7 makes non-storage type onions eligible for insurance, which provides crop insurance protection for producers of this commodity.

- Section 7(c)(1) and (2) add provisions allowing insurance for onions interplanted with a windbreak crop that protects the onion plants when they are small and tender. This is a standard practice in certain areas of the country which have sandy soils and frequently experience strong winds. This section also allows insurance for onions interplanted into a grass or legume provided this practice will not adversely affect the amount or quality of the production.

- Section 8(a) clarifies that acreage of the onion crop is not insurable if it does not meet the stated rotation requirements, unless different rotational requirements are shown on the Special Provisions or we agree in writing to insure the acreage.

- Section 8(b) clarifies that any acreage damaged prior to the final planting date must be replanted unless the insurance provider agrees that it is not practical to replant.

- Section 9(b)(1) adds dates for the end of insurance period for fall planted non-storage onions in Georgia, Oregon, Texas, and Washington and for spring planted non-storage onions. The date for the end of insurance period in Colorado was changed from September 30 to October 15, since it is a normal practice to harvest onions after September 30.

- Section 9(b)(2) specifies the end of insurance period as 14 days after lifting or digging of both storage and non-storage onions to allow appropriate time for field drying without undue risk exposure to the insurance provider.

- Section 10(a)(3) and (4) add provisions to clarify that any losses caused by insufficient or improper application of pest or disease control measures are not an insured cause of loss.

- Section 10(a)(5) adds a provision to insure against wildlife, unless control measures have not been taken.

- Section 10(a)(8) specifies that failure of the irrigation water supply must be caused by an insured peril that occurs during the insurance period.

- Section 10(b) adds provisions to clarify that we do not insure against any loss of production due to damage that occurs or becomes evident after the end of the insurance period, including, but not limited to, damage that occurs after the onions have been placed in storage.

- Section 11(a) adds provisions to allow producers to receive a replanting payment when itis considered practical to replant.

- Section 11(b) specifies that the maximum amount of a replanting payment will be the lesser of 7 percent of the final stage production guarantee or 18 hundredweight, multiplied by the price election for the type and by the insured's share.

- Section 11(c) specifies that onions replanted using a practice that is uninsurable as an original planting will cause the liability for the unit to be reduced by the amount of the replanting payment.

- Section 12(b) requires the producer to give notice at least 15 days prior to any direct marketing so a preharvest inspection can be made. This appraisal may be used to determine the amount of production to count.

- Section 13(b) removes the provision that required multiplying the total production to be counted by the greater of the local market price at the time the onions are appraised or by the respective price election. Under the new policy the price election is used to determine the amount of liability and to value production to count, consistent with other crop insurance policies.

- Section 13, deleted 13(c)(1)(vi)(C) based on proposed rule comments that the provision did not relate well to sections 13(c)(1)(vi)(A) and 13(c)(1)(vi)(B) and that it did not further clarify section 13(c)(1)(vi)(A) as was intended.

- Section 13(d) adds provisions that allow for zero production to count for the unit or portion of a unit if the appraised percent of damage exceeds the percentage of damage shown by type on the Special Provisions, unless onions from that acreage are subsequently harvested and sold.

- Section 13(e) adds provisions to clarify that the extent of damage must be determined not later than the time onions are placed in storage, if the production is stored prior to sale, or the date they are delivered to a packer, processor, or other handler if the production is not stored.

- Section 14 adds late and prevented planting provisions to the policy. This provision grants protection for acreage planted within 25 days after the final planting date, and for acreage that cannot be planted due to any insurable cause of loss. If the insured is prevented from planting by the final planting date, or intends to plant within the late planting period and is prevented from doing so, insurance protection is provided at a specified percent of the production guarantee for timely planted acreage. Reductions are made to recognize lower yield potential for late planting acreage. Late planting was previously only provided by the execution of a separate Late Planting Agreement Option. To ease the administrative burden, this coverage along with prevented planting are provided for in the policy and the premium included in the premium owed for the unit.

- Section 15 adds provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover application for and duration of written agreements.

Attachment - Will be sent in the mail.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-038

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1996 Group Risk Plan Final Payments

Attached are the final payment yields and factors for 1996 Group Risk Plan peanuts. Final payment yields have also been incorporated into the Actuarial Data Master. These payment yields and factors do not apply to Catastrophic Risk Protection. For Farm Service Agency offices, these yields and factors are for informational purposes only.

Attachment

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-039

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Crop Revenue Coverage - 1998 Program Materials for Wheat Crop Insurance Program Expansion and Winter Wheat Coverage Endorsement

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation (FCIC) has approved expansion of the Crop Revenue Coverage (CRC) Insurance Program for wheat, and the addition of a Winter Wheat Coverage Endorsement for the 1998 crop year. CRC wheat will be expanded into Alabama, Arizona, Arkansas, California, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Utah, Virginia, Wisconsin, Wyoming and additional counties in Montana and North Dakota. The Winter Wheat Coverage Endorsement will be available for CRC wheat counties with both fall and spring final planting dates. CRC wheat will be available for approved States (a total of 34 States for the 1998 crop year) and counties where CRC wheat actuarial materials are filed.

The CRC Basic Provisions dated January 30, 1997, will be in effect for the 1998 wheat crop. The Wheat Crop Provisions have been updated and the Winter Wheat Coverage Endorsement has been added for the 1998 crop year.

ACTION:

The 1998 CRC wheat program materials are available electronically via the Reporting Organization (RO) Server. This release includes the CRC Wheat Crop Provisions, Winter Wheat Coverage Endorsement, Commodity Exchange Endorsement-Wheat, 1998 Wheat-Underwriting Rules, and 1998 Wheat-Questions and Answers. Actuarial material (rates, special provisions, etc.) will be available for CRC wheat with a June 30 contract change date not later than June 6. The actuarial material for 1998 CRC spring wheat counties will be available with the December 31 actuarial filing. The CRC Basic Provisions dated January 30, 1997, were released on the RO server at an earlier date.

Please advise your Data Processing Managers to monitor the RO Server for the Actuarial Division release of the CRC materials which will contain the RO Server file names, file locations, and contact persons for assistance. For CRC program related matters, contact the Product Development Division at (816) 926-7730 or by fax at (816) 926-1841.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-040

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Wheat Crop Revenue Coverage - Price Factor Estimates

BACKGROUND:

The Wheat Crop Revenue Coverage (CRC) low and high price factors are not yet available for market areas where CRC-Wheat is based upon the Chicago Board of Trade (CBOT) and the Kansas City Board of Trade (KCBOT). These price factors will be released as an actuarial addendum the first week of July and where CRC-Wheat is based upon the Minneapolis Grain Exchange (MGE) and Portland Grain Exchange (PGE), the first week of September. To allow for early marketing of Wheat CRC, ESTIMATES for low and high price factors may be used.

ACTION:

Reinsured Companies, at their discretion, may choose to begin marketing Wheat CRC using the following estimated low and high price factors:

Board of	Price Factors	
Trade	Low	High
CBOT	0.302*	0.302*
KCBOT	0.303*	0.323*
MGE	0.233*	0.226*
PGE	0.345*	0.318*

* CAUTION: THESE PRICE FACTORS ARE ONLY ESTIMATES AND PRODUCERS MUST BE ADVISED THAT PREMIUM ESTIMATES ARE ESTIMATES ONLY.

Reinsurance and associated premium subsidies will only be applicable to the FCIC approved low and high price factors issued via the Actuarial Addendum.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-041

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations - Information Only

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Income Protection--Wheat Crop Provisions

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation (FCIC) has approved the expansion of the Income Protection - Wheat pilot program to the following States and counties:

Idaho: Idaho, Latah, Lewis, and Nez Perce
Montana: Big Horn, Choteau, and Yellowstone
Oregon: Gilliam, Morrow, Sherman, Umatilla, and Wasco

ACTION:

The Income Protection - Wheat Crop Provisions effective for the 1998 and succeeding crop years are enclosed. Changes reflect those made in the 1997 Income Protection Crop Provisions for corn and cotton.

Income Protection - Wheat actuarial material is available electronically via the Reporting Organization (RO) server. This release includes the FCI-35 Coverage and Rate Tables. Additional underwriting information will be released in July 1997.

If you have any questions about this pilot program, please contact Vondie O’Conner at (816) 926-6343 or by fax at (816) 926-7343.

Attachments

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

June 26, 1997

INFORMATIONAL MEMORANDUM: R&D-97-043

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Agent and Loss Adjuster Social Security Numbers

The collection, storage, and use of the Social Security Numbers (SSN) and Employer Identification Numbers (EIN) for crop insurance purposes are described in the regulation entitled Collection and Storage of Social Security Account Numbers and Employer Identification Numbers, 7CFR 400, Part 400 Subpart Q. The regulation has been amended to:

1. Require agents and loss adjusters to provide SSN's to the Risk Management Agency (RMA), and

2. Impose applicable sanctions if such SSN's are not provided.

Note: Refer to section 405(a), (b), and (c) of the attached regulation.

The effective date for this regulation was June 26, 1997. Following this date, insurance providers will be required to obtain, store, and transmit the SSN's of loss adjusters and insurance agents for purposes of performance evaluation and in determining eligibility for program participation. Risk Management Agency's (RMA) Data Acceptance System (DAS) already requires the SSN of the agent to be reported with the acreage record. The requirement to report the SSN of the loss adjuster has been discussed at previous Data Processing Managers' meetings. To provide adequate time for implementation, RMA will require that the SSN for the loss adjuster be reported to and accepted by DAS in accordance with Manual 13 for all loss records transmitted after August 11, 1997.

Any questions may be directed to Bill Smith (regarding the regulation) of the Product Development Division at (816) 926-7743 or Seavey Anthony (regarding data processing) of the Actuarial Division at (816) 926-7910.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-044

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Walnut Crop Insurance Provisions

Attached is a copy of the Walnut Crop Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. Please refer to the provisions for more complete information.

- Unit division provisions contained in section 2 provide guidelines for optional unit division of walnut basic units. This change makes basic unit division provisions for walnuts consistent with other perennial crops. These provisions have also been expanded to include the insured's reporting responsibilities to qualify for optional units and the breakdown of units by irrigated and non-irrigated acreage.

- Section 3 specifies that the insured may select only one price election for all the walnuts in the county insured under the policy, unless the Special Provisions provide different price elections by variety or varietal group, in which case the insured may select one price election for each walnut variety or varietal group. The price elections selected must have the same percentage relationship to the maximum price offered.

- Section 3(b) specifies that the insured must report any damage, removal of trees, and any change in practice that may reduce yields.

- Section 7 allows insurance for walnuts interplanted with another perennial crop in order to make insurance available on more acreage and reduce the reliance on the Noninsured Crop Disaster Assistance Program (NAP).

- Section 9(a)(3) and (4) specifies that damage or loss of production due to disease or insect infestation will not be insurable unless an insured cause of loss prevents the proper application of control measures.

- Section 9(a)(8) specifies that failure of the irrigation water supply must be caused by an insured peril that occurs during the insurance period.

- Section 11(b) clarifies the calculations used to determine walnut indemnities by allowing the aggregation of production guarantees and production to count when more than one walnut variety or varietal group is in one unit.

- Section 11(d) specifies that quality adjustment for mold damaged walnuts will be based on the net delivered weight.

- Section 12 adds provisions for providing insurance coverage by written agreement.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-045

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Almond Crop Insurance Provisions

Attached is a copy of the Almond Crop Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. Please refer to the provisions for more complete information.

- Section 3 specifies that the insured may select only one price election for all the almonds in the county insured under the policy, unless the Special Provisions provide different price elections by type, in which case the insured may select one price election for each almond type. The price elections selected must have the same percentage relationship to the maximum price offered.

- Section 3(b) specifies that the insured must report any damage, removal of trees, and any change in practice that may reduce yields.

- Section 7 allows insurance for almonds interplanted with another perennial crop in order to make insurance available on more acreage and reduce the reliance on the Noninsured Crop Disaster Assistance Program (NAP).

- Section 9(a)(3) and (4) specifies that damage or loss of production due to disease or insect infestation will not be insurable unless an insured cause of loss prevents the proper application of control measures.

- Section 9(a)(7) specifies that failure of the irrigation water supply must be caused by an insured peril that occurs during the insurance period.

- Section 11(b) clarifies the calculations used to determine almond indemnities by allowing the aggregation of production guarantees and production to count when more than one almond type is in one unit.

- Section 12 adds provisions for providing insurance coverage by written agreement.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-046

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Addendum - 1998 Actuarial Table (Special Provisions)

In accordance with the 1998 Onion Crop Insurance Provisions "onion production" and "damaged onion production" will be determined on a U.S. No. 1 basis or other standards as contained in the Special Provisions for storage type onions, and any applicable marketing order or other standards contained in the Special Provisions for non-storage type onions.

The following information should be provided to all producers for the applicable crops prior to the sales closing date.

The applicable standards for onions in the following states will apply for the 1998 crop year:

<u>Oregon and Washington</u>
Non-Storage Type 205 Fall Planted Whites and Yellows -- **U.S. Commercial Grade, under United States Standards of Onions (Other than Bermuda-Granex-Grano and Creole Types)**

<u>Idaho, Oregon, and Washington</u>
Storage Types - 175 Spring Planted Reds, 185 Spring Planted Whites, and 195 Spring Planted Yellows -- **U. S. No. 1 Grade, under United States Standards of Onions (Other Than Bermuda-Granex-Grano and Creole Types)**

<u>Georgia</u>
All Non-Storage Types -- **U.S. No. 1 Grade based on the United States Standards for Grades of Bermuda-Granex-Grano onions**

The percent of damage referenced in section 13(d) of the Onion Crop Provisions will be 50 percent for counties with a June 30, 1997, actuarial filing for all onion types defined on the Special Provisions for the 1998 crop year.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293 Kansas City Missouri 64141

INFORMATIONAL MEMORANDUM: R&D-97-047

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Deliver and Field Operations

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1996 Cotton Group Risk Plan Final Payments

Attached are the final payment yields and factors for 1996 Group Risk Plan cotton. Final payment yields have also been incorporated into the Actuarial Data Master. These payment yields and factors do not apply to Catastrophic Risk Protection coverage policies. For Farm Service Agency offices, these yields and factors are for informational purposes only.

Attachment

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-048

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Addendum - 1998 Actuarial Table (Special Provisions)

This is an addendum to the 1998 Actuarial Table (Special Provisions) for counties with a June 30 contract change date. This list includes the established price elections for barley, oats, rye, and wheat, and the price elections for sugarcane and onions.

The following information should be provided to all producers for the applicable crops prior to the sales closing date.

CROP	CAT PRICE	PRICE ELECTION	UNITS
WHEAT (ESTABLISHED)	$2.19	$3.65	BU
BARLEY (ESTABLISHED)	$1.20	$2.00	
OATS (ESTABLISHED)	$0.78	$1.30	
RYE (ESTABLISHED)	$1.68	$2.80	
ONIONS:			
GEORGIA	$11.40	$19.00	CWT
OREGON AND WASHINGTON:			
FALL PLT. WHITES AND YELLOWS	$7.05	$11.75	
SPRING PLT. REDS	$4.50	$7.50	
SPRING PLT. WHITES	$4.50	$7.50	
SPRING PLT. YELLOWS	$2.10	$3.50	
TEXAS:			
REDS	$8.70	$14.50	
WHITES	$7.20	$12.00	
YELLOWS	$5.70	$9.50	
SUGARCANE	$0.08	$0.12	LB

United States Department of Agriculture	**Risk Management Agency**	**Research and Development 6293**	**P.O. Box 419293 Kansas City Missouri 64141-**

INFORMATIONAL MEMORANDUM: R&D-97-049

TO: All Reinsured Companies
All Risk Management agency Field Offices

FROM: Tim B. Witt
Deputy Administrator
Research and Development Division

SUBJECT: 1997 Income Protection and Crop Revenue Coverage Harvest Price Announcements for Wheat

The following prices are approved for these plans of insurance for policies whose harvest prices are determined based on the July contract:

Income Protection

The 1997 harvest price for Income Protection (IP) Wheat is $3.46 per bushel.

Crop Revenue Coverage

The 1997 harvest prices for Wheat Crop Revenue Coverage (CRC) for the areas where CRC-Wheat is based upon the Chicago Board of Trade (CBOT) and the Kansas City Board of Trade (KCBOT) are as follows:

Board of Trade	Harvest Price
CBOT	$3.29/bu.
KCBOT	$3.46/bu.

Harvest prices for CRC-Wheat based upon the Minneapolis Grain Exchange (MGE) and the Portland Grain Exchange (PGE) will be announced the first week of September.

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-050

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery & Field Operations - Information Only

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Income Protection Yield Procedure

<u>BACKGROUND</u>:

Previously, Income Protection (IP) yield procedures required that the Acreage Report be completed before the IP guarantee could be calculated. This limited the accuracy of the insurance quotes made prior to sales closing. In order to allow IP guarantees to be properly calculated prior to sales closing, the Risk Management Agency (RMA) has revised the IP yield procedure for the 1998 crop year.

<u>ACTION</u>:

The following changes are effective for IP for the 1998 crop year:

- The IP yield calculation procedure is revised. (See attachment)
- A Type 15 record (yield record) is required for each Type 11 record (acreage record).
- T - yields are shown on the IP Actuarial Table by practice, type, variety (P/T/V) and T - yield map area, if applicable.
- The County Average Yield calculation is revised. (See attachment)

If you have any questions about this pilot program, please contact Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.

Attachments

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-051

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Issuance of the 1998 FCIC 18010 Crop Insurance Handbook

BACKGROUND:

For the 1998 crop year, only one handbook covering underwriting, administrative, and actual production history (APH) procedure for the Federal crop insurance program will be issued, the FCIC 18010 Crop Insurance Handbook (CIH). The FCIC 18100 Catastrophic Risk Protection (CAT) Handbook has been discontinued and CAT coverage procedures have been incorporated into the CIH.

The crop provisions for several crops, as well as regulations affecting preventing planting and the basic policy provisions, are still being cleared through the regulatory process for the 1998 crop year. This handbook does not address such proposed regulatory changes if they were not published as final rule by July 2, 1997. Any remaining procedural changes for the 1998 crop year which result from pending regulatory action will be implemented through a Research and Development Division Informational Memorandum or CIH amendments.

Consolidation of the two handbooks and the formatting changes have required considerable restructuring and rewriting of the text. Procedure from some of the exhibits has been moved into applicable sections. Since much of the handbook is restructured, only actual changes to procedure, new procedure, or additions to the existing procedure for clarification purposes have been shaded (e.g., changes in numbering, language, etc., are not shaded when the procedure remains the same). The following is a summary of the more significant changes:

Section 3, Definitions

- A separate section was created for terms and definitions.

Section 4, General Rules

- Rounding rules were moved from Exhibit 7 to Section 4.
- The premium adjustment table was moved from Exhibit 26 to Section 4.
- ☞A five-digit unit numbering system is being implemented consistent with Manual 13.

☞ Denotes a change from the previous year's procedure.

- Procedures for written unit agreement requests (previously contained in Exhibit 30) and the written agreement chart (previously contained in Exhibit 11) have been moved to Section 4.

Section 5, Underwriting and Actual Production History (APH) Responsibilities

- A separate “responsibilities” section was created.

Section 6, Category B APH Crop Procedure

- Procedure for Category B APH crops (annual crops) is contained in this section.

- ☞Incorporated instructions for switching from Transitional (“T”) Yields based on Farm Service Agency (FSA) program yields to Risk Management Agency (RMA) county “T” Yields published on county actuarial tables.

  - Current “T” Yields (program yield based) will not be “grandfathered.” They must be replaced with the applicable (variable) RMA county “T” Yields.

  - Cups and caps will apply if units are not combined or further divided (compared to last year's unit structure) and the practice, type, or variety remains the same.

  - In counties where the county “T” Yield is apportioned between different “T” Yield map areas, a unit that now contains more than one “T” Yield map area will have APH yields determined separately for each map area.

Section 7, Category C APH Crop Procedure

- Procedure for Category C APH crops (perennial crops) is contained in this section.

- Procedure for pre-acceptance inspections, Producer's Pre-Acceptance Worksheets, Block Production Worksheets, and Unit Summary Worksheets (from Exhibit 16) were moved to Section 7.

- ☞The number of pre-acceptance field inspections required by FCIC has been reduced. Acreage tolerance pre-acceptance field inspections are no longer required and FCIC Regional Service Offices have been given additional authority to waive pre-acceptance inspections.

Section 8, Other Coverage Plans

- Multiple peril coverage plans that are not considered “APH based” are now covered separately in this section.

Sections 9-14

- These sections were renumbered because previous sections were divided into new sections.

Exhibit 1, Crop Policy Chart

- Updated policy information and form number of policies that have been published as final rule in the Federal Register.

Exhibit 5, CAT Worksheets

- CAT Worksheets were moved from the 1997 CAT Handbook to the CIH.

Exhibit 6, Master Yields

- Clarified Operator/Tenant requirements.

Exhibit 7, Waiver for Administrative Fees

- The form was moved from the 1997 CAT Handbook to the CIH.

Exhibit 11, Request for Actuarial Change Forms

- A Request for Actuarial Change form was added to the CIH.

Exhibit 16

- Moved the Producer's Pre-Acceptance Worksheet, Pre-Acceptance Perennial Crop Inspection Report, Block Production Worksheet, and Unit Summary Worksheet and respective instructions to Section 7.

.

- ☞Added the Florida Citrus Grove Producer Pre-Acceptance or Inspection Report form and related instructions to Exhibit 16. This form and its instructions will be effective beginning with the 1999 crop year.

Exhibit 26, Retaining APH History

- Procedure moved from the 1997 CAT Handbook to the CIH.

Exhibit 37, Added Land, Added Practice/Type/Variety (P/T/V)

- ☞Allows an Insurance Provider to use added land/P/T/V procedures (if applicable) when requested by the insured no later than the acreage reporting date.

ACTION:

Attached is the approved 1998 FCIC 18010 CIH. It will be used in the administration of CAT, limited, and additional coverage plans for the 1998 crop year. Changes, additions, or clarifications to last year's procedures are shaded to aid in identifying the changes.

The CIH will be placed on the Reporting Organization Server in WordPerfect 6.1. An informational memorandum from the Actuarial Division will announce when it is available. If you do not have access to the Reporting Organization Server, a set of disks containing the CIH is available in WordPerfect 6.1 upon request. If you have any questions or would like to request the handbook on WordPerfect disks, please contact the Product Development Division at (816)926-7743.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-052

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Example of the Federal Crop Insurance Reinsurance Model and State Retained Loss Ratios

An example that illustrates the calculations of the Federal Crop Insurance reinsurance model and the final retained loss ratios used to calculate the average rate of gains under the Standard Reinsurance Agreement have been placed on the Federal Crop Insurance public access server of the Internet. These materials may be found at the following address:

http://www.act.fcic.usda.gov/actuarial/index.html

At this screen, select the “FTP Download” link, which transfers to a public directory. The directory SRADATA/ in this public directory contains the information.

The information consists of a Wordperfect document (REINSUR.WPD) that describes the data and calculations contained in a Lotus spreadsheet entitled CRDSUMRY.WK4. The spreadsheet entitled RETAINLR.WK4 contains the retained loss ratios that conform to those illustrated in Table 5 of CRDSUMRY.WK4. The retained loss ratios are given for major crops in each State and the State average for each year from 1980-1996. However, only 1981-1996 are used in the model.

Technical questions regarding these data should be directed to Jim Driscoll at 816-926-7914. Any questions regarding downloading of these files should be directed to Bob Sifuentes at 816-926-6368.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-052.1

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Clarification to Informational Memorandum: R&D-97-052

This is clarification to the material released the on the Federal crop insurance public access server. The first sentence of the third paragraph should read as follows:

Table 2 shows the summary data for the industry for the 1995 crop year after the hold harmless adjustments for prevented planting and late planting changes.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-054

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Addendum to the FCI-35 Actuarial Tables, 1998 Wheat Crop Revenue Coverage - Price Factors

BACKGROUND:

For marketing purposes, Research and Development Informational Memorandum: R&D-97-040 provided low and high price factor ESTIMATES for Crop Revenue Coverage (CRC) Wheat based upon the Chicago Board of Trade (CBOT) and the Kansas City Board of Trade (KCBOT). The final 1998 high and low price factors are now available for these commodity exchanges.

ACTION:

This memorandum is issued as an addendum to the FCI-35 actuarial tables for the purpose of announcing the APPROVED 1998 CRC Wheat CBOT and KCBOT price factors, as shown below.

Board of Trade	Price Factors Low	High
CBOT	0.302	0.295
KCBOT	0.304	0.316

This information must be provided for CRC Wheat to all applicable agents prior to the sales closing date.

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141**

INFORMATIONAL MEMORANDUM: R&D-97-055

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Grape Crop Insurance Provisions

Attached is a copy of the Grape Crop Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for more complete information.

- Section 1 added definitions for the terms “days,” “FSA,” “good farming practice,” “graft,” “interplanted,” “irrigation practice,” “production guarantee,” “set out,” “USDA,” “varietal group,” and “written agreement” for the purpose of clarification.

- Section 2 clarifies that records used to qualify for optional units must be reported by the production reporting date.

- Section 3(a) for California, allows a different coverage level and price election for each grape variety in the county.

- Section 3(b) for Idaho, Oregon, and Washington, specifies that an insured may select only one coverage level and only one price election for all the grapes insured in the county unless the Special Provisions provide different price elections by varietal group, in which case the insured may select one price election for each varietal group designated in the Special Provisions. The price election chosen for each varietal group is not required to have the same percentage relationship to the maximum price offered for each varietal group; however, if the Catastrophic Risk Protection level of insurance is chosen for any varietal group, that level of coverage will be applicable to all insured grapes in the county.

- Section 3(c) for all other states, specifies that an insured may select only one coverage level and only one price election for all the grapes insured in the county unless the Special Provisions provide different price elections by varietal group, in which case the insured may select one price election for each varietal group designated in the Special Provisions. The price election selected for each varietal group must have the same percentage relationship to the maximum price offered for each varietal group.

- Section 3(d) specifies that in California only, an insured may apply for a written agreement to establish a price election for a specific variety they wish to insure, when that specific variety does not have a separate price election on the Special Provisions.

- Section 3(e) specifies that the insured must report damage, removal of bearing vines, change in practices, or any other circumstance that may reduce expected yields below the yield upon which the insurance guarantee is based. For the first year of insurance for acreage interplanted with another perennial crop or anytime the planting pattern of such acreage is changed, the insured must also report the age and type, if applicable, of the interplanted crop, its planting pattern, and any other information needed to establish the approved yield. If the insured fails to notify the insurance provider of factors that may reduce yields from previous levels, the insurance provider will reduce the production guarantee at any time the insurance provider becomes aware of damage, removal of vines, or change in practices.

- Section 5 specifies that the cancellation and termination date in all states except California is November 20. Currently, the policy states January 31 in California, and December 10 in all other states except Idaho, Oregon, and Washington. The change in some states from December 10 to November 20 was made to standardize the perennial crop policies. For the 1998 crop year, carry-over insureds in all states except California, Idaho, Oregon, and Washington have until December 10, 1997, to cancel their policy(s).

- Section 7(e) specifies that at least an average of two tons of grapes per acre must have been produced during at least 1 of the 3 crop years immediately preceding the insured crop for the crop to be insured, unless the insurance provider inspects such acreage and gives their approval in writing. Previous endorsement required a minimum of two tons per acre but did not clearly state that the minimum must have been produced in 1 of the 3 most recent crop years.

- Section 8 allows insurance on grapes interplanted with another perennial crop to make insurance available on more acreage and reduce reliance on the noninsured crop disaster assistance program (NAP) for crop loss protection.

- Section 9(a)(1) specifies that insurance attaches on November 21 in all states except California. This change was made to be consistent with other perennial crops. Clarifies that for the year of application, if an application is received after January 22 but prior to February 1 in California, or after November 11 but prior to November 21 in all other states, insurance will attach on the 10th day after the properly completed application is received in the insurance provider's local office, unless the insurance provider inspects the acreage during the 10 day period and determines that it does not meet insurability requirements.

- Section 9(a)(2) specifies that the end of the insurance period is October 10 in Mississippi and Texas; November 1 in Idaho, Oregon, and Washington; November 10 in California; and November 20 in all other states.

- Section 9(b) adds provisions to clarify insurability when an insurable share is acquired or relinquished on or before the acreage reporting date. Also clarifies that acreage acquired after the acreage reporting date is not insurable, and that a person to whom coverage is transferred must be eligible for insurance.

- Section 10(b) adds provisions to provide coverage against disease and insect infestation unless proper control measures are not utilized. This change was made to conform to the coverage provided for most other crops. Damage caused by phylloxera is not covered regardless of cause. Clarifies that failure of the irrigation water supply is a covered loss only if caused by an insured peril that occurs during the insurance period.

- Section 11(b) adds provisions that require the insured to notify the insurance provider of damage prior to harvest to permit a timely appraisal. Also adds provisions that prohibit the insured from destroying a damaged crop which is not marketed in normal commercial channels, until the insurance provider gives written consent. Failure to meet this requirement will result in all such production to be considered undamaged and included as production to count.

- Section 12(c) adds provisions for converting grape production harvested and dried for raisins to a fresh weight basis.

- Section 12(e) adds provisions indicating that the average market price will be determined in all states by averaging the prices being paid by usual marketing outlets for the area during the week in which the damaged grapes were valued. In the current grape endorsement, in California the average market price is the price shown by the Federal State Market News California Wine Report for the same week in which the damaged grapes were valued.

  Add provisions indicating that the value per ton of the qualifying damaged production and the average market price of undamaged grapes will be determined on the earlier of the date the damaged production is sold or the date of final inspection for the unit. The current grape endorsement does not list a specific time.

- Section 13 adds provisions for providing insurance coverage by written agreement. FCIC has a long-standing policy of permitting certain modifications of the insurance contract by written agreement. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

Attachment

cc: Product Development Division
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File

RMA:R&D:PDD:JMeyer:emp:816/926-3984:06/15/97:Rev. 7/9/97:infogr.wpd

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United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141**

INFORMATIONAL MEMORANDUM: R&D-97-056

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt 07/24/97
Deputy Administrator

SUBJECT: Plum Crop Insurance Provisions

Attached is a copy of the Plum Crop Insurance Provisions effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are available on the Reporting Organization (RO) Server also. Please refer to the provisions for complete information.

- The word "fresh" is removed from the title of the policy since plums marketed for uses other than fresh packed are covered.

- Section 1 changes the definition of harvest to remove the term "machine."

- Section 2(e)(3)(ii) adds optional units by varietal group to be consistent with other policies that offer insurance by crop variety.

- Section 3(a) specifies that the insured may select only one price election for all the plums in the county insured under this policy, unless the Special Provisions provide different price elections by varietal group, in which case the insured may select one price election for each varietal group. The price election the insured selects must have the same percentage relationship to the maximum price offered. This helps to protect against adverse selection and simplifies administration of the program.

- Section 3(b) specifies that an insured must report damage, removal of trees, and any change in practice that may reduce yields. For the first year of insurance for acreage interplanted with another perennial crop and anytime the planting pattern of such acreage is changed, the insured must report the age and varietal group, if applicable, of any interplanted perennial crop, its planting pattern, and any other information needed to establish the approved yield. If the insured fails to notify the insurer of factors that may reduce yields from previous levels, the insurer will reduce the production guarantee at any time the insurer becomes aware of such factors. This allows the insurance provider to limit liability, if necessary, because of changes affecting the acreage.

- Section 6 removes the provision that restricts crop insurance coverage if plums are harvested directly by the public.

- Section 6(d) specifies that at least 200 lugs per acre must have been produced in at least 1 of the 3 most recent actual production history crop years. Previous regulations required a minimum of 200 lugs per acre of fresh market production in the previous crop year unless the acreage is inspected by FCIC and approved for coverage.

- Section 6(f) allows insurance for plums produced on scions that have not reached the fifth growing season after being grafted to established rootstock if all other requirements for insurability have been met.

- Section 7 allows insurance for plums interplanted with another perennial crop in order to make insurance available on more acreage and reduce the reliance on the noninsured crop disaster assistance program (NAP) for protection against crop losses.

- Section 8(a)(1) specifies that the insurance period begins on February 1 of each crop year, except for the year of application. If the application is received after January 22 but prior to February 1, insurance will attach on the tenth day after the application is received in the insurance provider's local office unless the acreage is inspected during the 10-day period and does not meet insurability requirements.

- Section 8(b) clarifies the procedures when an insurable share is acquired or relinquished on or before the acreage reporting date.

- Section 9(a)(6) clarifies that wildlife is an insured cause of loss unless control measures have not been taken.

- Section 9(c)(1) clarifies that disease and insect infestation are excluded causes of loss unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or causes disease or insect infestation for which no effective control mechanism is available.

- Section 10(a) specifies the notice requirements if the orchard has suffered a loss and the crop will not be harvested. The notice permits timely appraisal of damaged unharvested acreage.

- Section 10(b) requires the producer to give notice at least 15 days prior to harvest so a preharvest inspection can be made if the insured intends to engage in direct marketing to consumers.

- Section 10(c) requires the producer to give at least 15 days notice prior to the beginning of harvest or immediately if damage is discovered during harvest to permit the insurance provider to make a timely inspection.

- Section 10(d) prohibits the insured from destroying any damaged production until consent is given by the insurance provider.

- Sections 11(c)(2)(ii) specifies the adjustment of the production to count for harvested production that is packed and sold as fresh fruit but does not meet California Marketing Order grade requirements.

- Sections 11(c)(2)(iii) specifies the adjustment of the production to count for harvested production that is or could be marketed for any use other than fresh packed plums.

- Section 12 adds provisions for providing insurance covered by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contracts by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the application for and duration of written agreements.

Attachment

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United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City Missouri
64141

July 25, 1997

INFORMATIONAL MEMORANDUM: R&D-97-057

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ R. E. Waggoner (for)
Deputy Administrator

SUBJECT: Macadamia Tree Crop Insurance Provisions

Attached is a copy of the Macadamia Tree Crop Insurance Provisions effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for complete information.

- The contract term between the producer and the insurance provider is amended to provide continuous coverage. The current policy is not a continuous contract. This change removes the requirement of annually filing an application.

- Section 1 adds definitions for the terms "days," "good farming practices," "interplanted," "irrigated practice," "non-contiguous," "rootstock," and "written agreement" for clarification. The definition of "planting pattern" is deleted. This is a commonly understood term that is not defined in other crop policies.

- Section 2 describes the guidelines under which basic units may be divided into optional units consistent with other perennial crops offering optional units. These provisions also incorporate the requirement that each optional unit must contain at least 80 acres of insurable macadamia trees or be located on non-contiguous land.

- Section 3(a)(1) specifies that the insured may select only one dollar amount of insurance for all the macadamia trees in the county in each age group contained in the actuarial table that are insured under the policy to standardize these provisions with other perennial crops. The dollar amount of insurance chosen by the insured for each age group must have the same percentage relationship to the maximum dollar amount offered by the insurance provider for each age group.

- Section 3(a)(3) specifies the reporting requirements when any circumstance occurs that may be expected to cause a reduction in the dollar amount of insurance and when the insured crop is interplanted with another perennial crop. This ensures that the amount of insurance accurately reflects the value of the trees and maximizes the number of acres which are insurable.

- Section 4 establishes August 31 as the contract change date. Previously, the policy contained no contract change date since it was not a continuous policy.

- Section 5 establishes December 31 as the cancellation date. Previously, the policy contained no cancellation date since it was not a continuous policy.

- Section 7 allows insurance for macadamia trees interplanted with another perennial crop in order to increase the number of acres that are insurable without adversely affecting the actuarial soundness of the program.

- Section 8(a) specifies that if the application is received after December 22 but prior to January 1, insurance will attach on the tenth day after the insured's properly completed application is received in the insurance provider's local office unless the acreage is inspected during the 10-day period, and it is determined that requirements of the insurance contract are not met.

- Section 8(b) adds provisions to clarify the procedure for insuring acreage when an insurable share is acquired or relinquished on or before the acreage reporting date.

- Section 9 adds adverse weather conditions, earthquake, failure of irrigation water supply, and wildlife, unless proper control measures to control wildlife have not been taken, as insurable causes of loss. Wind is deleted because it is encompassed by the term adverse weather. Disease and insect infestation are also excluded as causes of loss unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or causes disease or insect infestation for which no effective control mechanism is available.

- Section 12 adds provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

Attachment

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141**

July 25, 1997

INFORMATIONAL MEMORANDUM: R&D-97-058

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ R. E. Waggoner (for)
Deputy Administrator

SUBJECT: Macadamia Nut Crop Insurance Provisions

FCIC has published new macadamia nut crop insurance provisions that will attach to the Common Crop Insurance Policy Basic Provisions for the 1999 and succeeding crop years. These changes will result in the 1998 crop year being incorporated into the 1997 and 1999 policies. For the 1999 crop year, insurance coverage under the new macadamia nut crop provisions will attach on January 1, 1998, and the end of the insurance period will be June 30, 1999.

Coverage against insured causes of loss will be provided on all macadamia nut blooms and nuts normally produced during the production year that extends from July 1 to June 30 of the next calendar year. From January 1 to June 30 of the first calendar year of each insurance period, coverage against insured causes of loss will only be provided on the macadamia nut blooms and immature macadamia nuts that normally produce mature nuts during the production year that will start July 1.

The current Macadamia Nut Crop Insurance Regulations provide crop insurance coverage from January 1, 1997, through December 31, 1997, for the 1997 crop year. The 1998 macadamia nut industry production year extends from July 1, 1997, to June 30, 1998. An interim final rule was published to amend the Macadamia Nut Crop Insurance Regulations (7 CFR part 455) to extend insurance coverage for the 1997 crop year. The extended insurance coverage period for the 1997 crop year will begin on January 1, 1998, and the calendar date for the end of the insurance period will be June 30, 1998. The extension will provide macadamia nut coverage for the latter 6 months of the production year that began July 1, 1997. Thereafter, each crop insurance period will include a complete production year. No additional premium or administrative fee will be due for catastrophic risk protection, limited coverage, or additional coverage insurance that is extended for the 1997 crop year as a premium or fee has been paid for the 1997 crop year, and there will be no 1998 crop year.

Attached is a copy of the Macadamia Nut Crop Insurance Provisions effective for the 1999 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for complete information.

- The contract term between the producer and the insurance provider is amended to provide continuous coverage. The current policy is not a continuous contract. This change removes the requirement of annually filing an application.

- Section 1 adds definitions for the terms "age," "days," "direct marketing," "good farming practices," "graft," "interplanted," "irrigated practice," "non-contiguous," "pound," "production guarantee (per acre)," "rootstock," and "written agreement" for clarification. The definition of "crop year" clarifies that the crop year is designated by the calendar year in which the insurance period ends.

- Section 2 describes the guidelines under which basic units may be divided into optional units consistent with other perennial crops offering optional units. These provisions incorporate the requirement that each optional unit must contain at least 80 acres of bearing macadamia trees or be located on non-contiguous land.

- Section 2(e) modifies the language to clarify optional unit requirements. For each optional unit, the producer must have provided records of acreage and production by the production reporting date and maintain records of marketed production or measurement of stored production for each crop year. Each optional unit must also meet specific criteria unless otherwise specified by written agreement.

- Section 3(a) specifies that the insured may select only one price election for all the macadamia nuts in the county insured under the policy, unless the Special Provisions provide different price elections by type, in which case the insured may select one price election for each macadamia nut type designated in the Special Provisions. The price elections selected are required to have the same percentage relationship to the maximum price offered for each type.

- Section 3(b) specifies the reporting requirements when any circumstance occurs that may reduce the expected yields and when the insured crop is interplanted with another perennial crop to ensure that the guarantee accurately reflects the production capabilities of the acreage and to maximize the number of acres which are insurable so that such acreage need no longer be covered by NAP.

- Section 3(c) clarifies that the producer's production guarantee will be determined according to the APH regulations unless damage or changes to the orchard or trees require establishment of the yield by another method.

- Section 3(d) clarifies that instead of reporting the previous year's production, a 1-year lag period will occur. Base period production data will be reported for 2 production years preceding the current policy crop year (a lag year). For example, on the 1999 crop year production report, the producer will provide 1997 production year data.

- Section 4 establishes August 31 as the contract change date. Previously, the policy contained no contract change date since it was not a continuous policy.

- Section 5 establishes December 31 as the cancellation date. Previously, the policy contained no cancellation date since it was not a continuous policy.

- Section 6(d) allows insurance coverage for macadamia nuts produced on trees that have not reached the fifth growing season, provided they have produced at least 200 pounds (wet, in-shell) per acre in a previous crop year, and the insurance provider agrees in writing to provide such coverage in order to increase the number of acres that are insurable without adversely affecting the actuarial soundness of the program.

- Section 6(e) specifies that the crop insured will be macadamia nuts that are produced from blooms that normally occur during the calendar year in which insurance attaches and that are harvested prior to the end of the insurance period.

- Section 7 allows insurance for macadamia nuts interplanted with another perennial crop in order to conform with other perennial crops and increase the number of acres available for insurance coverage.

- Section 8 changes the calendar date for the end of the insurance period from December 31 to the second June 30 of the crop year. The date insurance attaches remains January 1 of each crop year.

- Section 8(a) specifies that if the application is received after December 22 but prior to January 1, insurance will attach on the tenth day after the insured's properly completed application is received in the insurance provider's local office unless the acreage is inspected during the 10-day period and it is determined that insurability requirements are not met. The calendar date for the end of the insurance period is the second June 30 after insurance attaches.

- Section 8(b) adds provisions to clarify the procedure for insuring acreage when an insurable share is acquired or relinquished on or before the acreage reporting date.

- Section 9 clarifies that wildlife is an insurable cause of loss, unless proper measures to control wildlife have not been taken. Disease and insect infestation are excluded causes of loss unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or causes disease or insect infestation for which no effective control mechanism is available to be consistent with other crop provisions.

- Section 10(a) specifies the notice requirements if the orchard has suffered a loss and the crop will not be harvested in order to permit a timely appraisal of any loss and accurately determine production to count.

- Section 10(b) requires the producer to give notice at least 15 days prior to harvest so a preharvest inspection can be made if the insured intends to engage in direct marketing to consumers in order to permit a timely appraisal and determine production to count.

- Section 10(c) requires the producer to give at least 15 days notice prior to the beginning of harvest or immediately if damage is discovered during harvest so damaged production may be inspected. Also, the producer must not destroy the damaged crop until after the insurance provider has given written consent to do so.

- Section 12 adds provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

July 29, 1997

INFORMATIONAL MEMORANDUM: R&D-97-059

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Peach Crop Insurance Provisions

Attached is a copy of the Peach Crop Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for more complete information.

- Section 1- Added definitions for the terms “actual price per bushel,” “bearing tree,” “bushel,” “direct marketing,” “FSA,” “good farming practices,” “harvest,” “interplanted,” “irrigated practice,” “loss in quality,” “packing shed,” “production guarantee,” “set out,” and “written agreement” for clarification.

- Section 1(a) - Added provisions that allow (FOB) Freight on Board peach prices in the absence of Market News Services prices. The current policy does not allow for FOB prices when the Market News Services does not establish a price. Also removed any relationship to 3/4 bushel of peaches. This change was made because a unit of measure for peaches is not always a 3/4 bushel. Any unit of measure of peaches can be converted to a full 50-pound bushel.

- Section 3(a) - Specify that the insured may select only one price election for all the peaches in the county insured under the policy, unless the Special Provisions provide different price elections by type, in which case the insured may select one price election for each peach type designated in the Special Provisions.

- Section 3(b) - Amended the provisions to include any circumstance that may reduce the expected yield below the yield upon which the guarantee is based. The final rule requires an insured to report damage, removal of or addition of trees, and change in practice that may reduce expected yields. If the insured fails to notify the insurance provider of factors that may reduce the expected yields from previous levels, the production guarantee will be reduced at any time the insurance provider becomes aware of any circumstance that may affect the yield.

- Section 5 - Specifies that the cancellation and termination dates are November 20. Currently, the policy states November 30. The change was made to standardize the perennial crop policies. For the 1998 crop year, carry-over insureds have until November 30, 1997 to cancel or terminate their policy(ies).

- Section 7 - Allows insurance on peaches interplanted with another perennial crop unless we inspect the acreage and determine that it does not meet the requirements contained in the policy. This change will make insurance available on more acreage and reduce reliance on the noninsured crop disaster assistance program (NAP) for crop loss protection. This standardizes the perennial crop policies and will have no adverse actuarial effect. Currently, the peach policy does not allow coverage on interplanted acreage.

- Section 8(a)(1) - Specifies that insurance coverage begins on November 21. This change was made to be consistent with other perennial crops. Clarifies that for the year of application, if the application is received after November 11, but prior to November 21, insurance will attach on the 10th day after the properly completed application is received in the insurance provider's local office, unless the insurance provider inspects the acreage during the 10-day period and determines that it does not meet insurability requirements.

- Section 8(b) - Added provisions to clarify insurability when an insurable share is acquired or relinquished on or before the acreage reporting date and after an inspection the acreage is considered acceptable, insurance will be considered to have attached on the calendar date for the beginning of the insurance period. Also clarifies that acreage acquired after the acreage reporting date is not insurable and that a person to whom coverage is transferred must be eligible for insurance.

- Section 9(a)(1) - Added adverse weather as a cause of loss. This change deleted freeze, frost, hail, drought, wind and lightening as named perils because they are included in the term adverse weather. Also added wildlife as an insurable cause of loss to be consistent with other perennial crop policies.

- Section 9(b)(1) - Added provisions to provide coverage against disease and insect infestation unless proper control measures are not utilized. This change was made to conform to the coverage provided for most other crops.

- Section 10(b) - Require the producer to give notice at least 15 days before any production from a unit will be sold by direct marketing unless the producer has records verifying that the direct marketed peaches were "weighed and graded" through a packing shed.

- Section 11(b) - Added provisions specifying the total production to be counted will be multiplied by the price election. The current policy multiplies the total production to be counted by the actual price per bushel (FOB) Freight on Board or by the price election, whichever is larger. This change standardizes the perennial crop policies.

- Section 11(c)(3) - Added provisions to extend quality adjustment to all insurable causes of loss. The current policy only allows quality adjustment for damage due to frost, freeze, and misshapen fruit.

- Section 12 - Added provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specified insured in certain instances. The new section will cover the procedures for and duration of written agreements.

Attachments

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-060

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Safflower Crop Insurance Provisions

Attached is a copy of the Safflower Crop Insurance Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for more complete information.

- Section 1 changes the name of the crop provision from "Safflower Seed" to "Safflower." Also, the Late Planting Agreement Option no longer applies. Both Late Planting and Prevented Planting provisions for safflower are proposed in a separate rule.

- Section 1 adds definitions for the terms “days,” “FSA,” “final planting date,” “good farming practices,” “interplanted,” “irrigated practice,” “local market price,” “nurse crop (companion crop),” “planted acreage,” “pounds,” “practical to replant,” “production guarantee (per acre),” “replanting,” and “written agreement” for clarification. Also, the definition of “value per pound of damaged safflower” has been changed.

- Section 2 expands the unit division provisions to include insured reporting responsibilities to qualify for optional units, and clarifies unit division for non-irrigated corners of center pivot irrigation systems.

- Section 3 states that an insured may select only one price election for all the safflower in the county as designated in the Special Provisions.

- Section 5 changes the cancellation and termination dates to be 30 days earlier than in the previous safflower crop insurance endorsement for states other than California.

- Section 6 prohibits interplanting safflower with another crop, or planting safflower into an established grass or legume, unless allowed by Special Provisions or by written agreement.

- Section 9 clarifies that any losses caused by insufficient or improper application of pest control or disease control measures are not an insured cause of loss. Also, a change was made to clarify that wildlife is an insured cause of loss, unless proper measures to control wildlife have not been taken.

- Section 10 allows producers to receive a replant payment. This is consistent with many other annual crops converted to the Common Policy.

- Section 11 provides that representative samples of unharvested safflower must not be harvested or destroyed until the earlier of inspection or 15 days after harvest of the balance of the unit is completed.

- Section 12(a) clarifies determining loss on a unit basis and requirements of production records.

- Section 12(c) clarifies how to determine total production to count from all insurable acreage.

- Section 12(d) clarifies when production qualifies for quality adjustment by adding a provision that clarifies when quality will be a factor in determining the loss.

- Section 12(d)(4) removes the language that limited quality adjustment to not less than 50 percent of the market price.

- Section 13 adds a provision for providing insurance coverage by written agreement.

If you have any questions, please contact David Clauser of the Product Development Division at (816) 926-7730.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-061

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Florida Fruit Tree Pilot Program

BACKGROUND:

In response to grove owners' risk management needs, the Risk Management Agency (RMA) is developing new crop provisions specific to the coverage of avocado and mango trees. The new avocado and mango policy is scheduled to be released by September 30, 1997. Avocado and mango trees will no longer be covered under the Florida Fruit Tree Pilot Crop Provisions 96014.

ACTION:

Florida Fruit Trees:
The 1998 crop year Florida Fruit Tree actuarial filing is available electronically via the Reporting Organization (RO) server. This release includes the FCI-35 Coverage and Rate Tables and Special Provisions of Insurance. The rates, amounts of insurance, and Crop Provisions 96014 are unchanged from the 1997 crop year.

Florida Avocado and Mango Trees:
Reinsured companies must notify current avocado and mango insureds that insurance coverage under Florida Fruit Tree Pilot Crop Provisions 96014 is canceled for the 1998 crop year.

If you have any questions about this pilot program, please contact Ken Harrison at (816) 926-6343 or by fax at (816) 926-7343.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D 97-062

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /S/ Tim B. Witt 8/28/97
Deputy Administrator

SUBJECT: Issuance of the Ineligible Tracking System Handbook

The Ineligible Tracking System Handbook is approved and issued for the purpose of administering the Ineligible Tracking System (ITS). The procedures contained in this handbook will be used to identify, track and notify persons who are ineligible to participate in the crop insurance program under the Federal Crop Insurance Act, as amended. The handbook is now available on the Reporting Organization (RO) server and is being reproduced for distribution.

A copy of the final rule, Ineligibility for Programs Under the Federal Crop Insurance Act, which authorizes ITS is contained in the handbook for your reference. Issuance of the handbook and the regulation will permit appropriate steps to be taken so that ITS may first be applied to 1998 crop year policies with a September 30 cancellation date.

ITS will be applicable to all persons who meet any of the ineligibility criteria. For ineligibility for indebtedness, policyholders must have been given notification of indebtedness and their rights and responsibilities. Insurance providers who have provided such notification through their normal operating procedures will be considered to have met the notification requirements specified in the handbook.

Risk Management Agency (RMA) is aware of industry concerns regarding the timing of certain notifications of ineligibility for policies that may already be in force for a current crop year. RMA will review all aspects of this issue and in consultation with industry representatives, will make a final determination regarding the effective year of ineligibility for such policies in the near future.

Successful implementation of ITS will require a joint effort between reinsured companies, the RMA, and other interested parties. Please direct any questions regarding the ITS to the Product Development Division at (816) 926-7387.

United States	**Risk**	**Research**	**P.O. Box 419293**
Department of	**Management**	**and**	**Kansas City**
Agriculture	**Agency**	**Development**	**Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-063

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Pecan Revenue Actuarial Materials

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation (FCIC) approved a pilot insurance program for pecans on May 29, 1997. The pilot is a revenue guarantee program based on the grower's actual revenue records and is offered for sales in the 1998, 1999, and 2000 crop years. FCIC will require insureds to purchase insurance in 2-year modules. Thus, protection will be available in 2001 but not new sales. The insured will be protected from unavoidable decline in revenue due to adverse weather, fire, decline in market price, insects, and disease. FCIC will offer the pecan revenue pilot in the following States and counties:

GEORGIA	**NEW MEXICO**	**TEXAS**
Lee	Dona Ana	Culberson
Dougherty		El Paso
Mitchell		Pecos

The sales closing date for pecans is October 31.

ACTION:

This release includes the FCI-35 Coverage and Rate Tables, Special Provisions of Insurance, Pecan Premium Calculation Worksheet, the Actual Production History Procedure and Reference Guide, Pecan Disclaimer, and the crop provisions. These materials are also available electronically via the Reporting Organization server.

If you have any questions about this pilot program, please contact Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.

United States Department of Agriculture	**Risk Management Agency**	**Research and Development**	**P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-063.1

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Pecan Pilot Program Update

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation approved a pilot insurance program for pecans on May 29, 1997. The crop provisions, actuarials, and procedural material were released September 3, 1997 (Informational Memorandum R&D-97-063). Since that date, RMA has received questions regarding many aspects of the program. To facilitate delivery of this product, additions have been made to the pecan procedural material, the premium calculation worksheet was simplified, and the Actual Production History (APH) Procedure Comparison Guide has been revised to include additional Crop Insurance Handbook (FCIC 18010) section references.

ACTION:

The following pecan material is available on the RO server to assist in the delivery of the pecan revenue pilot insurance program:

- A simplified Premium Calculation Worksheet.
- An expanded APH Procedure Comparison & Reference Guide

If you have any questions about this pilot program, please contact Ron Lundine at (816) 926-6343 or by fax at (816) 926-7343.

Attachments

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293 Kansas City Missouri 64141

September 4, 1997

INFORMATIONAL MEMORANDUM: R&D-97-064

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Crop Revenue Coverage (CRC) and Income Protection (IP) Price Announcements

The prices in the table below have been approved for 1997 and 1998 CRC Wheat and 1997 CRC Soybeans with a sales closing date prior to March 15.

CROP	CROP YEAR	BOARD/ EXCHANGE	BASE	HARVEST
Wheat	1997	CBOT	$3.79*/bu	$3.29*/bu
		KCBOT	$3.98*/bu	$3.46*/bu
		MGE	$3.43*/bu	$3.81/bu
		PGE	$4.25*/bu	$3.89/bu
Soybeans	1997	CBOT	$6.40*/bu	$6.29/bu
Wheat	1998	CBOT	$3.66/bu	7/98 release
		KCBOT	$3.69/bu	7/98 release
		PGE	$4.04/bu	9/98 release

The approved prices for 1997 IP Wheat are shown in the table below.

CROP	CROP YEAR	BOARD/ EXCHANGE	BASE	HARVEST
Wheat	1997	CBOT	$3.52*/bu	$3.63/bu

*Previously released.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-067

TO: All Reinsured Companies
All Risk Management Agency Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ Tim B. Witt 09/11/97
Deputy Administrator

SUBJECT: 1997 Support Prices for Peanuts

The 1997 support prices for peanuts are used in the claims process as listed in Section 9 f. (2) of the peanut policy. The 1996 support prices for peanuts are shown below and have been released as part of the Actuarial Data Master.

Type(s)	Support Price (Cents per Lb.)
Virginia (081)	30.2
Runner (084)	30.7
Spanish (082, 083)	28.5
Valencia (085), suitable for cleaning and roasting New Mexico, Oklahoma, and Texas	30.2
Valencia (085), Other States	28.5

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-067.1

TO: All Reinsured Companies
All Risk Management Agency Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ Roberta E. Waggoner 09/11/97
Deputy Administrator

SUBJECT: 1997 Support Prices for Peanuts - Amendment

The second sentence on R&D-97-067 stated "The 1996 support prices for peanuts..." This was a typographical error. The support prices listed are for 1997.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-069

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt /s/ TIM B. WITT 09/18/97
Deputy Administrator

SUBJECT: 1998 Income Protection Projected Price Announcement for Wheat

The 1998 projected price for Income Protection (IP) Wheat for states whose projected price is based on the Chicago Board of Trade July 1998 wheat contract is $3.90 per bushel.

United States Department of Agriculture
Risk Managment Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

September 19, 1997

INFORMATIONAL MEMORANDUM: R&D-97-070

TO: All Reinsured Companies
All Risk Management Agency Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B. Witt /s/ TIM B. WITT 09/19/97
Deputy Administrator

SUBJECT: 1997 Season Average Market Prices for Tobacco

The season average market prices referenced in the tobacco endorsements for types 32, 41, 51, 52, and 61 are listed below. The market prices for tobacco types shown below have been released as part of the Actuarial Data Master.

Type	Average Price $/pound
32	
Maryland	$ 1.92
Pennsylvania	$ 1.75
41	$ 1.55
51-52	$ 6.28
61	$27.25

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-071

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt 09/26/97
Deputy Administrator

SUBJECT: Actuarial Addendum - Corrections to the 1998 Irrigated Wheat T-yield in Parmer County, Texas, and Nursery Rates in Texas

The Transitional yield (T-yield) for irrigated (002) wheat in Parmer County, Texas, (48-369) is being increased to 50 bushels for both multiple peril crop insurance (MPCI) and crop revenue coverage (CRC). The previously released irrigated T-yield of 37 bushels is in error and will be corrected on the FCI-35 document and on the actuarial data master (ADM). The Actuarial Division will release this information on the RO server. This serves as an official addendum to the Parmer County actuarial. Companies, therefore, have the discretion to download and distribute the corrected FCI-35 document. The T-yields for wheat in Parmer County will be reevaluated for the 1999 crop year.

Published nursery rates for 1998 in Texas exceed statutory allowable limits. Corrections are being made to the ADM and to the FCI-35 tables and will be placed on the RO server reflecting rate decreases of approximately 20 percent.

Companies are requested to provide this information to agents and field representatives so they may provide accurate coverage and premium cost information to producers concerning this coverage.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-072

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /S/ TIM B. WITT 09/29/97
Deputy Administrator

SUBJECT: Modifications to Perennial Crop APH Procedures in the States Serviced by the Sacramento Regional Service Office

BACKGROUND:

Reinsured companies requested modifications to the perennial crop Actual Production History (APH) procedure in the states serviced by the Sacramento Risk Management Agency (RMA) Regional Service Office (RSO). The purpose of the modifications requested is to simplify calculation of approved APH yields by reducing the number of situations that require the use of Block Production and Unit Summary Worksheets. For these situations, companies currently hand-calculate weighted APH yields using Block Production Worksheets and Unit Summaries and then transfer the weighted APH yields to APH forms.

Block production worksheets/unit summaries are designed to calculate equitable APH yields when producers have units that contain two or more blocks of insurable acreage with different yield potential. RMA has reviewed the request and agrees that APH procedures relating to Block Production and Unit Summary Worksheets may be simplified, because of the following determinations:

1 The Sacramento RSO indicates that tree/vine age is not a significant factor affecting yield potential for the crops in this region for which modifications are requested. They state that such crops produce within 90-95 percent of full production when the minimum age requirements of the respective policy are met.

2 A single Transitional Yield ("T" Yield) has been published by the Sacramento RSO for each crop (varieties for grapes and table grapes) that reflects the same productivity across insurable tree/vine ages.

3 Reducing the number of situations for added land and added insurable acreage that require the use of Block Production and Unit Summary Worksheets and eliminating tree/vine age categories will simplify procedures as requested and not significantly affect approved APH yields.

ACTION:

Beginning with the 1998 crop year, use the following APH modifications relating to crop/age categories, cups/caps, added land, and "added insurable acreage" for the following perennial crops; almonds, AZ-CA citrus (effective for the 1999 crop year), figs, plums, grapes, macadamia nuts, prunes, stonefruit, table grapes and walnuts. These modifications apply ONLY in Arizona, California, Hawaii, Nevada, and Utah (states serviced by the Sacramento RSO). Insurance Providers must continue to use the 1998 FCIC 18010, Crop Insurance Handbook (CIH) for other perennial crop APH procedures such as record requirements, variable "T" Yield instructions, and other situations not covered in this memorandum.

1 CROP/AGE CATEGORIES - Because separate "T" Yields were not issued for the different insurable age categories as indicated in Section 7, Par I (1) of the 1998 CIH, RMA will waive (for the listed crops and states) separate Block Production and Unit Summary Worksheet requirements if blocks of different insurable ages are contained within the same unit.

2 CUPS/CAPS - If the previous year's approved APH yield was calculated using block production worksheets and a unit summary (a weighted average yield) and use of the block production/unit summary worksheets is discontinued for the current crop year, procedures for calculating cups or caps do not apply for the current crop year.

3 ADDED LAND - Added land for perennial crops is a block of insurable acreage of the insured crop that is purchased or leased for the first time for the current crop year. When adding land with insurable acreage to an existing unit and acceptable production reports/supporting records for the added land's insurable acreage are:

A NOT provided, refer to the CIH for APH yield calculation instructions.

B Provided for 1-3 crop years, calculate a weighted average yield. Block Production Worksheets and a Unit Summary Worksheet are required. Refer to the CIH for reporting and APH yield calculation instructions. If "added insurable acreage" is also applicable, refer to Par. 4. It may be necessary to use Block Production Worksheets and a Unit Summary Worksheet.

Note: In a subsequent crop year when the added land block contains 4 years of actual/assigned yields, acres and production are combined with the other block (Block Production/Unit Summary Worksheets are discontinued).

C Provided for 4 or more crop years, a simple average yield is calculated. The acreage and production from the added land are combined with the existing unit. Block Production Worksheets and a Unit Summary Worksheet are NOT required.

Note: If "added insurable acreage" is also applicable, follow the instructions in Paragraph 4. It may be necessary to use Block Production Worksheets and a Unit Summary Worksheet.

4 ADDED INSURABLE ACREAGE - "Added insurable acreage" is acreage within a unit that meets minimum insurability requirements for the first time for the current crop year. When "added insurable acreage" is added to previously insured acreage (an existing unit that had an approved APH yield the previous crop year), use the following instructions.

A When separate acceptable supporting production records are provided for "added insurable acreage" and the percentage (1/) of the added insurable acreage is:

(1) Less than 70 percent of the existing unit's acreage, a simple average yield is calculated on the APH Form (Block Production and Unit Summary Worksheets are not required).

(a) Acres and production from the previously uninsurable acreage must be documented on a block production worksheet; however, a unit summary is not used to calculate the APH yield.

Note: A qualifying actual yield (and acres) from a prrevious crop year must be used if minimum production is required by the policy. For crops with minimum age requirements ONLY, the previous year's production (and acres) may be used. When a year with actual yields are used, both the acreage and production must be entered on the APH form. Refer to Sec. 7, Par. H(1)(c) and K(1)(a) 2& 3 of the CIH for reporting requirements.

(b) The total acreage to which the approved yield is applicable must be indicated along with the approved yield (e.g., 11.2 tons for 55.2 acres) in the approved APH yield block.

(2) Seventy percent or greater than the existing unit's acreage, a weighted average yield is calculated.

(a) Block Production Worksheets and a Unit Summary Worksheet are required. See the CIH for instructions.

(b) In a subsequent crop year when the "added insurable acreage" block contains 4 years of actual/assigned yields, acres and production are combined with the other block (Block Production Worksheets/Unit Summary Worksheets are discontinued).

B If separate acceptable supporting production records are NOT provided for the "added insurable acreage" [see Par. 4A(1)(a)], the approved APH yield is calculated using a simple average of the total acreage and production (insurable and uninsurable) for all years that production was not separated. See the CIH for instructions.

1/ "Added insurable acreage" divided by previously insurable acreage in the same unit.

United States Department of Agriculture | Risk Management Agency | Research and Development | P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-073

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ R. E. Waggoner 10/07/97
Deputy Administrator

SUBJECT: 1998 Manual 13, Data Acceptance System (DAS) Handbook

Attached is the 1998 Manual 13, Data Acceptance System and Reinsurance Accounting System Handbook. This 1998 Handbook reflects the current Standard Reinsurance Agreement (SRA) changes. Each company is being provided two complete copies of the handbook. The handbook will be maintained electronically via the Reporting Organization (RO) server in a Word Perfect 6.1 format.

If you have any questions or comments, please contact Denise Hoffmann at (816) 926-7910.

Attachment - will follow in the mail

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141

INFORMATIONAL MEMORANDUM: R&D-97-074

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim Hoffmann 10/10/97
Deputy Administrator

SUBJECT: Table Grape Crop Insurance Provisions

Attached is a copy of the Table Grape Crop Insurance Provisions that will be effective for the 1998 and succeeding crop years. The following is a brief description of the significant changes to these provisions. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for more complete information.

- Section 1 added definitions for the terms "adapted," "days," "direct marketing," "good farming practices," "graft," "interplanted," "irrigated practice," "non-contiguous," "production guarantee, per acre," "set out," and "written agreement" for clarification. Also changed the lug (box) weight in the Coachella Valley in California and in Arizona to 20 pounds, and to 21 pounds in all other California districts. A factor of 1.100 will be used to adjust the certified actual production history for 1996 and prior years to the new weight standards for lugs.

- Section 2 changes the provisions to allow basic units by table grape variety. Also, each optional unit must now be located on non-contiguous land unless otherwise allowed by a written agreement.

- Section 3(a) allows one price election and one coverage level for each variety in a county.

- Section 3(b) specifies that the insured must report damage, removal of bearing vines, and any change in practices that may reduce yields. For the first year of insurance for acreage interplanted with another perennial crop and anytime the planting pattern of such acreage is changed, the insured must also report, the age and variety, if applicable, of any interplanted crop, its planting pattern, and any other information needed to establish the approved yield. If the insured fails to notify the insurance provider of factors that may reduce yields from previous levels, the insurance provider will reduce the production guarantee at any time they become aware of damage, removal of vines, or change in practices.

- Section 6 specifies that the acreage of table grapes in the countymust be reported by variety.

- Section 7(a) specifies that the insured crop will be any insurable variety of table grapes in the county. Previous provisions required that all insurable table grape acreage in the county be insured. This change is commensurate with previous changes made in the regulations for insuring grapes in California.

- Section 7(b) specifies that at least an average of 150 lugs of table grapes per acre must have been produced in at least 1 of the most recent 3 crop years of a producer's actual production history base period for the crop to be insured, unless the insurance provider inspects such acreage and gives their approval in writing to insure acreage that has not produced that amount. Previous crop provisions required 150 lugs per acre but did not state that the minimum must have been produced in 1 of the 3 most recent crop years.

- Section 8 allows insurance for table grapes interplanted with another perennial crop to make insurance available on more acreage and reduce reliance on the noninsured crop disaster assistance program (NAP) for crop loss protection.

- Section 9(a) specifies that for the year of application, if an application is received after January 22 but prior to February 1, insurance will attach on the 10th day after the properly completed application is received in the insurance provider's local office, unless the insurance provider inspects the acreage during the 10-day period and determines that it does not meet insurability requirements. Also the "end of insurance period dates" were removed from the policy since they are listed in the Special Provisions. This will allow the addition of dates for new varieties or revision of existing dates to be accomplished more quickly.

- Section 9(b) adds provisions to clarify insurability when an insurable share is acquired or relinquished on or before the acreage reporting date. It also specifies that when coverage is transferred, the transferee must be eligible for crop insurance.

- Section 10(b) clarifies that disease and insect infestation are excluded causes of loss unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or causes disease or insect infestation for which no effective control mechanism is available. Damage caused by phylloxera is not covered.

- Section 11(b) adds provisions that require the insured to notify the insurance provider at least 15 days prior to any production being sold by direct marketing to permit a timely appraisal. Failure to give timely notice will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in the insurance provider's inability to make the required appraisal.

- Section 11(c) adds provisions that require an insured to notify the insurance provider of damage prior to harvest in order to permit a timely appraisal. Also adds provisions that prohibit the insured from destroying the crop until the earlier of 15 days from the date insured gives notice of loss or written consent is provided by the insurance provider.

- Section 13 adds provisions for providing insurance coverage by written agreement. FCIC has a long-standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for and duration of written agreements.

If you have any questions, please contact Dave Clauser of the Product Development Division at (816) 926-7730.

United States Department of Agriculture	Risk Management Agency	Research and Development	P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-075

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim Hoffmann 10/10/97
Deputy Administrator

SUBJECT: 1998 Group Risk Plan (GRP) Forage Production Change

The GRP forage production contract was a pilot program for the 1994 crop year in Minnesota and Wisconsin. It was expanded to selected counties in Colorado, Montana, North Dakota, Oklahoma, Pennsylvania, and Wyoming for the 1998 crop year.

Guarantees under GRP forage production use a trend projection of next year's yield based on National Agricultural Statistics Service (NASS) harvested yields for the county, and uses the insurance year NASS harvested yield for the county as the basis for loss determination.

The 1997 crop year brought weather conditions to areas of Wisconsin and Minnesota that resulted in winterkill damage to some forage acres, which highlighted a weakness in the product. Producers who purchased GRP forage production for the 1997 crop year insured all forage acres as of the acreage reporting date, and paid a premium for each of those acres. However, forage acres totally lost to winterkill are typically plowed under and cannot be reflected in the NASS harvested acreage for the crop year. As a result, GRP forage production offers little assistance when winterkill occurs if one assumes that acreage that is harvested has no reduced yield due to the winterkill.

The Risk Management Agency would appreciate your consideration and comment on the following options to address this issue:

- Allow downward revisions to the GRP forage production acreage report through May 15, 1998, to account for plowing under of acreage lost to winterkill.

- Change the GRP forage production acreage reporting date to May 15, 1998.

- Make no change to the GRP forage production program for the 1998 crop year.

The contract change date for the GRP forage production program for the crop year has passed. Therefore, any program changes for the 1998 crop year must be considered under the Liberalization provision of the Basic provisions.

Please provide any comments or other recommendations you may have by COB Friday, October 31, 1997, to Vondie O'Conner, Research and Evaluation Division.

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

October 24, 1997

INFORMATIONAL MEMORANDUM: R&D-97-076

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: Macadamia Tree Appraisals

BACKGROUND:

The Rate Classification and Amount of Insuurance per acre for macadamia trees are determined by the age of the trees. The County Actuarial Tables show rate classifications for age of trees: D01 (1-year-old trees) through D09 (9+ year-old trees). Because growers must periodically replace trees, a given unit or plot may contain trees from several different age groups. The grower may have records of the number of replacement trees and their planting dates, but generally will not have a plat map showing the actual location and age of the individual trees.

As the adjuster selects sample trees for an appraisal (see Section 11 of the Macadamia Tree Loss Adjustment Standards Handbook), it becomes difficult to determine the age of the tree selected. The Macadamia Tree Appraisal Worksheet requests "Year Setout" obtained from the acreage report. If the acreage being appraised contains more than one age group and the trees cannot be separated into subfields by age of the tree, then this entry may not be representative of the unit or plot being appraised.

Example: Planting Pattern For the Plot or Unit

(X) @ X (X) X @ X # X

X X # X # X X (X) (X) @

@ X (X) (@) X @ # X @ X

(#) X X @ X X (#) X X (#)

X = 9+ year old trees
\# = 6 year old trees
@ = 4 year old trees
( ) = Tree selected for appraisal

If the above situation occurs, the adjuster cannot determine the actual percent of damage for each age group of trees. The "Applicable Percent of Loss" (item 24 on the appraisal worksheet) calculated from acreage that has more than one age group will be an average percent of damage for the entire acreage appraised. The claim form requires a separate line entry for each age group of trees as shown on the acreage report.

ACTION:

A. The adjuster must complete a separate appraisal worksheet for each age group of trees on the unit or plot when the acreage and location of the age group of trees can be determined from the producer's records. The "Applicable Percent of Loss" (item 24) determined for each age group of trees will be used to determine the amount of loss on the claim form for that age group of trees.

B. For a unit or plot that contains more than one age group of trees on the acreage report, and no maps or records are available that show age and location of the individual trees to allow division into subfields by age of trees, the adjuster must complete the appraisal worksheet based on a representative sample of all trees in the unit or plot. The percent of loss determined will be an average for the entire acreage being appraised.

The sample size must be large enough to reasonably expect that all ages of trees have been sampled during the appraisal.

For appraisals as described in B above, make no entry on the appraisal worksheet for item 10 (Year Setout) and item 11 (Percent Value). Once the Applicable Percent of Loss (item 24) is determined, apply that percentage on the claim form for each line with the applicable acreage and age of trees, as reported on the acreage report.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

October 28, 1997

INFORMATIONAL MEMORANDUM: R&D-97-077

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Florida Avocado and Mango Tree Pilot Program

BACKGROUND:

In response to grove owners' comments, the Risk Management Agency (RMA) has developed new crop provisions specific to the coverage of avocado and mango trees. The method used to determine losses has been changed from a scaffold limb method to a canopy volume method in the new crop provisions. Avocado and mango trees will no longer be covered under the Florida Fruit Tree Pilot Crop Provisions 96014.

ACTION:

The 1998 crop year Florida Avocado and Mango Tree actuarial filing is available electronically via the Reporting Organization (RO) server. This release includes the Crop Provisions 98-212, Acknowledgment of Differences, Premium Calculation Worksheet, Avocado and Mango Loss Adjustment Procedure, FCI-35 Coverage and Rate Tables, and Special Provisions of Insurance.

Reinsured companies must notify current avocado and mango insureds that insurance coverage under Florida Fruit Tree Pilot Crop Provisions 96014 is canceled for the 1998 crop year. The cancellation date is November 15. Avocado or mango tree insureds for the 1997 crop year will need to submit an application to be covered under the new Avocado and Mango Tree Pilot Program for the 1998 crop year.

If you have any questions about this pilot program, please contact Ron Lundine at (816) 926-3854 or by fax at (816) 926-7343.

Attachment

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

October 30, 1997

INFORMATIONAL MEMORANDUM: R&D-97-077.1

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: Revised Crop Provisions for the 1998 Florida Avocado and Mango Tree Pilot Program

The Crop Provisions for the 1998 Florida Avocado and Mango Tree Pilot released October 29, 1997, contained a minor and therefore has been revised and are attached. Section 12(a) was revised to delete the second section 12(a)(5). This information is available electronically via the Reporting Organization (RO) server.

If you have any questions about this pilot program, please contact Ron Lundine at (816) 926-3854 or by fax at (816) 926-7343.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

October 29, 1997

INFORMATIONAL MEMORANDUM: R&D-97-078

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ TIM B. WITT
Deputy Administrator

SUBJECT: 1998 Prune Crop Insurance Provisions

Attached is a copy of the Prune Crop Insurance Provisions effective for the 1998 and succeeding crop years. A brief description of the significant changes to these provisions follows. The provisions are also available on the Reporting Organization (RO) Server. Please refer to the provisions for complete information.

- Section 1 - Add definitions for the terms "days," "direct marketing," "FSA," "good farming practices," "interplanted," "irrigated practice," "non-contiguous land," "production guarantee," "ton," "written agreement," and change the definition of "prune" for clarification.

- Section 2(a) - Change provisions to allow a basic unit as defined in section 1 of the Basic Provisions, to be divided into optional units if, for each optional unit, all the conditions of section 2 are met.

- Section 2(c) - Specify that failure to comply with the provisions in section 2 will result in combining all optional units that are not in compliance with these provisions into the basic unit from which they were formed. Optional units may be combined at any time it is discovered that the insured failed to comply with these provisions.

- Section 2(d) - Specify that all optional units established for a crop year must be identified on the acreage report for that crop year.

- Section 2(e) - Specify that each optional unit must meet the following requirements: (1) The insured must provide records by the production reporting date of acreage and production for each optional unit for at least the last crop year used to determine the production guarantee; (2) For each crop year, the insured must have records of marketed production from each optional unit maintained in a manner that permits verification of the production from each optional unit. In addition, each optional unit must meet one of the following criteria: (1) Optional units may be established if each optional unit is located on a separate legally identified section, section equivalent or Farm Serial Number; or (2) Optional units may be established if each optional unit is located on non-contiguous land.

- Section 3(a) - Specify that the insured may select only one price election for all the prunes in the county insured under this policy, unless the Special Provisions provide different price elections by varietal group, in which case the insured may select one price election for each varietal group designate in the Special Provisions.

- Section 3(b) - Specify that the insured must report by the production reporting date, any damage, removal of trees, change in practices or any other circumstance that may reduce yields. The insured must also report, for the first year of insurance for acreage interplanted with another perennial crop and anytime the planting pattern of such acreage is changed, the age and varietal group of the interplanted crop, its planting pattern and any other information that the insurer requests in order to establish the yield upon which the production guarantee is based. If the insured fails to notify the insurer of any circumstance that may reduce yields from previous levels, the insurer will reduce the production guarantee at any time the insurer becomes aware of the circumstance. Current regulations provide that production guarantees will be reduced when the number of bearing trees has been reduced by more than 10 percent from the preceding year. This change will standardize these provisions with provisions contained in other perennial crop policies.

- Section 6(c) - Clarify that the insured crop must be grown on prune tree varieties that were commercially available when the trees were set out and on rootstock that is adapted to the area.

- Section 7 - Add provisions to make interplanted prunes insurable if planted with another perennial crop unless the insurance provider inspects the acreage and determines it does not qualify to be accepted for insurance coverage. This provision was added to provide insurance overage to the maximum extent to all prune producers, and to reduce the number of acres that would require coverage under the Non-insured Assistance Program (NAP).

- Section 8 - Add provisions to clarify the procedure when an insurable share is acquired or relinquished on or before the acreage reporting date.

- Section 9(a) - Remove direct Mediterranean Fruit Fly damage as an insured cause of loss. Effective control measures are now available, therefore, damage due to Mediterranean Fruit Fly is no longer needed as an insured cause of loss.

- Section 9(a)(6) - Clarify that failure of the irrigation water supply is an insured cause of loss, if such failure is due to a cause specified in section 9(a)(1) through (5) that occurs during the insurance period.

- Section 9(b)(1) - Add disease and insect infestation to the excluded causes of loss, unless adverse weather prevents the proper application of control measures, causes control measures to be ineffective when properly applied, or no effective control mechanism is available for such disease or insect infestation. These exclusions need to be added for clarification so insurance coverage is not provided for causes of loss that could be prevented.

- Section 9(b)(2) - Clarify that insurance is not provided against damage or loss of production due to the inability to market the prunes for any reason other than actual physical damage to the prunes from an insurable cause.

- Section 10(a) - Require that the insured give notice of loss within 3 days of the date harvest should have started if the crop is not to be harvested. Previous regulations required written notice if during the period before harvest, any prunes would not be harvested or further cared for. This change will standardize the notice of loss requirements utilized in other perennial crops.

- Section 10(b) - Require notice of loss to be provided at least 15 days before any production will be sold by direct marketing or sold as fresh fruit. This change will assure that a timely notice of loss is provided so that a pre-harvest inspection can be made to determine the total amount of production to count when the prunes will be harvested for direct marketing or fresh fruit.

- Section 10(c) - Change the notice of loss requirements when the insured intends to claim an indemnity. Require that notice of loss be provided at least 15 days prior to the beginning of harvest or immediately if damage is discovered during harvest. Previous prune regulations required notice of loss not later than 10 days after harvest or the end of the insurance period. This change will incorporate and standardize the notice of loss requirements utilized for other perennial crops.

- Section 10(d) - Specify that the insured cannot destroy the damaged crop until we have given written consent to do so. However, the insured may sell or dispose of the damaged crop if there is a market for it. Previous regulations required written consent before the insured destroyed any of the prunes which were not to be harvested. This change conforms with the requirements contained in other crop policies.

- Section 11(a) - Clarify indemnity calculations by providing a settlement of claim example. This change incorporates provisions contained in other crop policies.

- Section 11(c)(1)(i)(B) - Specify that production to count will not be less than the production guarantee per acre for any acreage that is marketed directly to consumers or sold as fresh fruit if the producer fails to meet the notification requirements contained in section 10.

- Section 11(c)(1)(iv) - Require the insured to continue to provide sufficient care for the insured crop when the insured does not agree with the appraisal on that acreage. Production to count for such acreage will be determined using the harvested production if the crop is harvested, or our reappraisal if the crop is not harvested.

- Section 11(d) - Clarify that the total harvested production to count will include prune production harvested for fresh fruit. Such fresh fruit production will be converted to a dried prune weight basis by dividing the total amount of fresh fruit production by 3.0. This change is consistent with other perennial crops.

- Section 12 - Add provisions for providing insurance coverage by written agreement. FCIC has a long standing policy of permitting certain modifications of the insurance contract by written agreement for some policies. This amendment allows FCIC to tailor the policy to a specific insured in certain instances. The new section will cover the procedures for, and duration of, written agreements.

- Remove the date for submitting an acreage report. In accordance with the Common Crop Insurance Policy, Basic Provisions, the acreage reporting date will be contained in the Special Provisions. This change is consistent with other crop policies.

If you have any questions, please contact David Clauser of the Product Development Division at (816) 927-7730.

Attachment

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

November 4, 1997

INFORMATIONAL MEMORANDUM: R&D-97-079

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ ROBERTA E. WAGGONER (for)
Deputy Administrator

SUBJECT: Release of 1998 Crop Year Actuarial Materials With November 30 and Later Contract Change Dates

The actuarial filing that is being released today reflects changes proposed for the basic provisions and certain crop provisions that have not yet been published as a Final Rule. Since this release affects crops with contract change dates of November 30 and December 31, it is being released now for the purpose of facilitating reproduction / distribution of materials and to provide lead time for preliminary development of training programs/materials.

Since it is possible that a particular crop or the basic provisions may not make Final Rule publication, companies and agents should make no sales commitments based on this information until publication of the Final Rules in the Federal Register. Additionally, the current version of the 1998 premium calculation software is being modified to incorporate changes that will be required for 1998 spring seeded crops (crops with a contract change date of November 30 or later). A new version will be released within the next 30 days.

Should certain provisions not make Final Rule publication, RMA will advise by the applicable contract change date of the actuarial materials effective for the 1998 crop year.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

November 10, 1997

INFORMATIONAL MEMORANDUM: R&D-97-080

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1997 Income Protection, Crop Revenue Coverage, and Revenue Assurance Price Announcements for Soybeans

Income Protection

The 1997 harvest price for Income Protection (IP) Soybeans is $6.82 per bushel as defined in the IP Soybeans crop provisions.

Crop Revenue Coverage

The 1997 harvest price for Crop Revenue Coverage (CRC) Soybeans for counties with a March 15 sales closing date is $6.48 per bushel as defined in the CRC Commodity Exchange Endorsement.

Revenue Assurance

The 1997 county harvest prices for Revenue Assurance (RA) Soybeans in Iowa, as defined in the RA Corn and Soybeans crop provisions, are listed on the attached page.

Attachment

1997 Revenue Assurance (RA) Soybeans in Iowa: County Harvest Prices

County	per Bushel	County	per Bushel	County	per Bushel
ADAIR	$6.46	FRANKLIN	$6.49	MONTGOMERY	$6.45
ADAMS	6.42	FREMONT	6.44	MUSCATINE	6.63
ALLAMAKEE	6.55	GREENE	6.47	O BRIEN	6.44
APPANOOSE	6.46	GRUNDY	6.46	OSCEOLA	6.38
AUDUBON	6.45	GUTHRIE	6.47	PAGE	6.40
BENTON	6.55	HAMILTON	6.47	PALO ALTO	6.46
BLACK HAWK	6.50	HANCOCK	6.45	PLYMOUTH	6.41
BOONE	6.50	HARDIN	6.51	POCAHONTAS	6.44
BREMER	6.48	HARRISON	6.42	POLK	6.59
BUCHANAN	6.54	HENRY	6.58	E POTTAWATTAMIE	6.47
BUENA VIST	6.44	HOWARD	6.47	W POTTAWATTAMIE	6.47
BUTLER	6.48	HUMBOLDT	6.46	POWESHIEK	6.50
CALHOUN	6.45	IDA	6.41	RINGGOLD	6.48
CARROLL	6.48	IOWA	6.53	SAC	6.43
CASS	6.43	JACKSON	6.63	SCOTT	6.63
CEDAR	6.60	JASPER	6.51	SHELBY	6.43
CERRO GORD	6.49	JEFFERSON	6.57	SIOUX	6.39
CHEROKEE	6.44	JOHNSON	6.56	STORY	6.50
CHICKASAW	6.46	JONES	6.56	TAMA	6.50
CLARKE	6.43	KEOKUK	6.50	TAYLOR	6.47
CLAY	6.42	KOSSUTH	6.46	UNION	6.49
CLAYTON	6.59	LEE	6.64	VAN BUREN	6.58
CLINTON	6.63	LINN	6.62	WAPELLO	6.52
CRAWFORD	6.41	LOUISA	6.63	WARREN	6.48
DALLAS	6.50	LUCAS	6.43	WASHINGTON	6.54
DAVIS	6.54	LYON	6.38	WAYNE	6.44
DECATUR	6.43	MADISON	6.48	WEBSTER	6.45
DELAWARE	6.58	MAHASKA	6.48	WINNEBAGO	6.45
DES MOINES	6.63	MARION	6.48	WINNESHIEK	6.50
DICKINSON	6.41	MARSHALL	6.48	WOODBURY	6.47
DUBUQUE	6.63	MILLS	6.41	WORTH	6.45
EMMET	6.41	MITCHELL	6.47	WRIGHT	6.48
FAYETTE	6.50	MONONA	6.43		
FLOYD	6.47	MONROE	6.47		

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-081

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 APH Procedure for Multiple Transitional ("T") Yield Map Area Units

BACKGROUND:

Beginning with the 1998 crop year, the Risk Management Agency (RMA) established county transitional ("T") yields for all crops where the "T" Yields were previously established using Farm Service Agency (FSA) program yields. In some counties, multiple county "T" Yield Maps were also implemented. These "T" Yield Maps created situations where a single unit may contain land in more than one "T" Yield Map Area. Procedure in the 1998 Crop Insurance Handbook (CIH) requires separate databases for each map area.

Insurance providers have indicated that, in many cases, previous actual production history (APH) is not available on this basis, cannot be accurately maintained on this basis for the future, and requires additional APH databases that may not be necessary.

ACTION:

The revised procedure shown below replaces the current text in the 1998 CIH, Section 6E(1)(b)2, page 99 until slipsheets for the 1998 CIH are issued in the near future.

2 Map Areas. In addition to P/T/V's, "T" Yields may be assigned for certain areas within a county ("T" Map Areas). Acreage located in "T" Yield Map Areas with different "T" Yields requires separate APH yields (databases), except in counties where the "T" Yield was derived from FSA program yields the previous crop year (1997) and "T" Yields are assigned by "T" Yield Maps for the current crop year (1998). For this situation, when a unit (database) contains more than one "T" Yield Map Area and a "T" Yield is necessary, determine the "T" Yield by using a simple average of the 1998 "T" Yields. For units located in more than one "T" Yield Map Area (except for land assigned a high-risk "T" Yield or insureds/land classified under NCS with yield adjustments), the variable "T" Yield is determined by the number of years of actual and/or assigned yields provided on the unit for each applicable P/T/V. Separate APH yields are not required for maps used only to assign rates (including areas with a high-risk rate adjustment factors that have NOT been assigned separate "T" Yields).

For example: The county actuarial table for CC wheat indicates:

Type	Practice	Map Area/“T” Yield
011 (winter)	004 (CC)	001 = 15.0
011 (winter)	004 (CC)	002 = 23.0
011 (winter)	004 (CC)	AAA = 15.0

In this example, a separate APH yield is required for the land designated as AAA. The database for a unit containing Map Areas 001 and 002 will use a simple average of Map Area 001 and 002's “T” Yields (15 + 23 ÷ 2) = 19.

Note: If a different percentage of the “T” Yield is used for the individual “T” Yield Map Area than indicated by actual and/or assigned yields in the database, use the yield descriptor “C” (necessary for other situations).

For Data Acceptance Purposes (DAS):

(1) Enter “W” in the yield indicator field (20).

(2) Enter the simple average “T” Yield in the transitional yield field (21).

United States Department of Agriculture | **Risk Management Agency** | **Research and Development** | **P.O. Box 419293 Kansas City Missouri 64141-6293**

November 18, 1997

INFORMATIONAL MEMORANDUM: R&D-97-082

TO: All Reinsured Companies
All Risk Management Field Offices
FSA Headquarters, Program Delivery and Field Operations

FROM: Tim B.Witt /s/ R. E. Waggoner (for)
Deputy Administrator

SUBJECT: 1997 Manual 13, Data Acceptance System (DAS) Handbook Slipsheets

Attached are the M-13 slipsheets for 1997 Record Descriptors and DAS exhibits. These changes include an additional yield indicator flag and an expanded Liability Adjustment Factor. The other changes are clarifications or corrections.

The following control chart explains which pages to remove and insert.

Please contact Seavey Anthony at (816) 926-3865 if you have questions or concerns regarding these inserts.

CONTROL CHART FOR: RMA-M13

REMOVE: Page(s)	INSERT: Page(s) Enclosed	CHANGES MADE:
DAS:		
Exhibit 11-0, Pages 3-4, 7	Pages 3-4, 7	Made clarification on field 28. Added Minnesota to field 31and updated croplisting. Added Whole Farm Unit to field 53.
Exhibit 11-2, Page 6	Page 6	Corrected Insurance Plan Id on Cigar Filler Tobacco.
Exhibit 11-3, Page 12	Page 12	Corrected Insurance Plan Id on Cigar Filler Tobacco.
Exhibit 11-5, Page 15	Page 15	Added Macadamia Trees.
Exhibit 11-6, Page 16	Page 16	Corrected statement on Sugar Beets.

Exhibit 11-7, Page 19	Page 19	Added Florida Citrus, corrected Cigar Filler Tobacco.
Exhibit 11-10, Pages 40-41	Pages 40-41	Updated IP Calculation.
Exhibit 15-0, Page 2	Page 2	Added Y' to field 21
Exhibit 15-2, Page 3	Page 3	Removed crop 0034 from note on Yield Limitation flag = 3.
Exhibit 15-3, Page 8	Page 8	Updated factors in notes.
Exhibit 15-5	Exhibit 15-5	New Exhibit.
Exhibit 21-0, Page 3	Page 3	Added field 45, Expanded Liability Factor.
Exhibit 21-5, Pages 12 - 13	Pages 12 - 13	Properly aligned crops with valid stage codes.
Exhibit 21-6, Page 14	Page 14	Corrected statement on Sugar Beets
Exhibit 21-7, Page 15	Page 15	Updated Exhibit.
Exhibit 21-8, Pages 16 - 18	Pages 16 - 18	Added Note 4 and updated field nuumbers Placed Dry Beans & Sugar Beets under correct replant calculations. Made corrections to Notes 1 & 2

Attachments

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

November 26, 1997

INFORMATIONAL MEMORANDUM: R&D 97-083

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Canola and Rapeseed Pilot Program Crop Provisions

BACKGROUND:

The Federal Crop Insurance Corporation (FCIC) is in the process of converting the Canola and Rapeseed Pilot Program Crop Provisions to permanent crop insurance provisions. On Thursday, September 18, 1997, FCIC published a proposed rule in the Federal Register to add canola and rapeseed crop provisions. The new provisions are to be effective for the 1998 and succeeding crop years for canola and rapeseed with a November 30 contract change date; and 1999 and succeeding crop years for canola and rapeseed with a June 30 contract change date.

The canola and rapeseed crop insurance provisions are tied to the new Basic Provisions which are currently in the final stages of the Federal Register process for the 1998 crop year (for counties with a November 30 or December 31 contract change date).

ACTION:

The Canola and Rapeseed Pilot Program Crop Provisions, which have a contract change date of November 30 for current insureds, have been updated to reflect the most current language used in the Canola and Rapeseed Crop Provisions going through the regulatory process. The updated Canola and Rapeseed Pilot Program Crop Provisions are attached and are on the Reporting Organization (RO) server. Please notify your crop insurance agents of the availability of these provisions. Although it is expected that differences between these provisions and the final rule will be minimal, the final rule will take precedence.

If you have any questions about this pilot program, please contact Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.

Attachments - will follow with hard copy.

DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
CANOLA AND RAPESEED PILOT CROP PROVISIONS

If a conflict exists among the policy provisions, the order of priority is as follows: (1) the Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. Definitions.

Canola - A crop of the genus **Brassica** as defined in accordance with the Official United States Standards for Grain - Subpart C - U.S. Standards for Canola.

Harvest - Combining or threshing for seed. A crop that is swathed prior to combining is not considered harvested.

Local market price (Canola) - The cash price per pound for U.S. No. 2 grade canola that reflects the maximum limits of quality deficiencies allowable for the U.S. No. 2 grade canola.

Planted acreage - In addition to the definition contained in the Basic Provisions, land on which seed is initially spread onto the soil surface by any method and subsequently is mechanically incorporated into the soil in a timely manner and at the proper depth will be considered planted. Acreage planted in any other manner will not be insurable unless otherwise provided by the Special Provisions, Actuarial Documents, or by written agreement.

Price of damaged production - The cash price per pound for canola that qualifies for quality adjustment in accordance with section 12 of these crop provisions.

Rapeseed - A crop of the genus **Brassica** that contains at least 30 percent of an industrial type of oil as shown on the Special Provisions and that is measured on a basis free from foreign material.

Swathed - Severance of the stem and seed pods from the ground and placing into windrows without removal of the seed from the pod.

2. Unit Division.

In addition to the requirements of section 34(b) of the Basic Provisions, in addition to, or instead of, optional units by section, section equivalent or FSA farm serial number and by irrigated and non-irrigated practices, optional units may be by type, if type is designated on the Special Provisions.

3. Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.

In addition to the requirements of section 3 of the Basic Provisions, you may select only one price election for all the canola and rapeseed in the county insured under this policy unless the Special Provisions provide different price elections by type, in which case you may select one price election for each canola and rapeseed type designated in the Special Provisions. The price elections you choose for each type must have the same percentage relationship to the maximum price offered by us for each type. For example, if you choose 100 percent of the maximum price election for a specific type, you must also choose 100 percent of the maximum price election for all other types.

4. Contract Changes.

In accordance with section 4 of the Basic Provisions, the contract change date is November 30 preceding the cancellation date for counties with a March 15 cancellation date, and June 30 preceding the cancellation date for all other counties.

5. Cancellation and Termination Dates.

In accordance with section 2 of the Basic Provisions, the cancellation and termination dates are:

State and County	Cancellation and Termination Dates
All counties in Georgia.	September 30
All other counties without fall planted types specified on the actuarial table.	March 15
All other counties with fall planted types specified on the actuarial table.	August 31

6. Insured Crop.

In accordance with section 8 of the Basic Provisions, the crop insured will be all canola and rapeseed in the county for which a premium rate is provided by the actuarial table:

(a) In which you have a share;

(b) That is planted for harvest as seed; and

(c) That is not, unless allowed by Special Provisions or by written agreement:

   (1) Interplanted with another crop; or

   (2) Planted into an established grass or legume.

7. Insurable Acreage.

In addition to the provisions of section 9 of the Basic Provisions,

(a) Any acreage of the insured crop that is damaged before the final planting date, to the extent that a majority of producers in the area would not normally further care for the crop, must be replanted unless we agree that it is not practical to replant; and;

(b) We will not insure any acreage that does not meet the rotation requirements contained in the Special Provisions.

8. Insurance Period.

In accordance with the provisions of section 11 of the Basic Provisions, the end of the insurance period is October 31 of the calendar year in which the crop is normally harvested.

9. Causes of Loss.

In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss which occur during the insurance period:

(a) Adverse weather conditions;
(b) Fire;
(c) Insects, but not damage due to insufficient or improper application of pest control measures;
(d) Plant disease, but not damage due to insufficient or improper application of disease control measures;
(e) Wildlife;
(f) Earthquake;
(g) Volcanic eruption; or
(h) Failure of the irrigation water supply, if applicable, caused by an insured cause of loss that occurs during the insurance period.

10. Replanting Payment.

(a) In accordance with section 13 of the Basic Provisions, a replanting payment is allowed if the insured crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage, and it is practical to replant or we require you to replant in accordance with section 7(a).
(b) The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or 175 pounds, multiplied by your price election, multiplied by your insured share.
(c) When the canola or rapeseed is replanted using a practice or type that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment that is attributable to your share. The premium amount will not be reduced.

11. Duties In The Event of Damage or Loss.

In accordance with the requirements of section 14 of the Basic Provisions, the representative samples of the unharvested crop that we may require must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed.

12. Settlement of Claim.

(a) We will determine your loss on a unit basis. In the event you are unable to provide separate acceptable production records:
  (1) For any optional units, we will combine all optional units for which acceptable production records were not provided; or
  (2) For any basic units, we will allocate any commingled production to such units in proportion to our liability on the harvested acreage for the units.
(b) In the event of loss or damage covered by this policy, we will settle your claim by:
  (1) Multiplying the insured acreage by its respective production guarantee;
  (2) Multiplying each result in section 12(b)(1) by the respective price election for each type, if applicable;
  (3) Totaling the results in section 12(b)(2);
  (4) Multiplying the total production to be counted of each type, if applicable, (see section 12(c)) by the respective price election;
  (5) Totaling the results in section 12(b)(4);
  (6) Subtracting the total in section 12(b)(5) from the total in section 12(b)(3); and
  (7) Multiplying the result in section 12(b)(6) by your share.
(c) The total production to count (pounds) from all insurable acreage on the unit will include:
  (1) All appraised production as follows:
    (i) Not less than the production guarantee for acreage:
      (A) That is abandoned;
      (B) That is put to another use without our consent;
      (C) That is damaged solely by uninsured causes; or
      (D) For which you fail to provide acceptable production records;
    (ii) Production lost due to uninsured causes;
    (iii) Unharvested production (mature unharvested production may be adjusted for quality deficiencies and excess moisture in accordance with section 12(d)); and
    (iv) Potential production on insured acreage that you intend to put to another use or abandon, if you and we agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end when you put the acreage to another use or abandon the crop. If agreement on the appraised amount of production is not reached:
      (A) If you do not elect to continue to care for the crop, we may give you consent to put the acreage to another use if you agree to leave intact, and provide sufficient care for, representative samples of the crop in locations acceptable to us, (The amount of production to count for such acreage will be based on the harvested production or appraisals from the samples at the time harvest should have occurred. If you do not leave the required samples intact, or you fail to provide sufficient care for the samples, our appraisal made prior to giving you consent to put the acreage to another use will be used to determine the amount of production to count); or
      (B) If you elect to continue to care for the crop, the amount of production to count for the acreage will be the harvested production, or our reappraisal if additional damage occurs and the crop is not harvested; and
  (2) All harvested production from the insurable acreage.
(d) Mature canola may be adjusted for excess moisture and quality deficiencies. Mature rapeseed may be adjusted for excess moisture only. If moisture

adjustment is applicable, it will be made prior to any adjustment for quality.

(1) Canola and rapeseed production will be reduced by 0.12 percent for each 0.1 percentage point of moisture in excess of 8.5 percent. We must be permitted to obtain samples of the production to determine the moisture content.

(2) Canola production will be eligible for quality adjustment if:

(i) Deficiencies in quality, in accordance with the Official United States Standards for Grain, result in the canola not meeting the grade requirements for U.S. No. 3 or better (U.S. Sample grade) because of kernel damage (excluding heat damage), or has a musty, sour, or commercially objectionable foreign odor; or

(ii) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.

(3) Quality will be a factor in determining your loss in canola production only if:

(i) The deficiencies, substances, or conditions resulted from a cause of loss against which insurance is provided under these crop provisions and which occurs within the insurance period;

(ii) The deficiencies, substances, or conditions result in a net price for the damaged production that is less than the local market price;

(iii) All determinations of these deficiencies, substances, or conditions are made using samples of the production obtained by us or by a disinterested third party approved by us; and

(iv) The samples are analyzed by a grader licensed to grade canola under the authority of the United States Grain Standards Act or the United States Warehouse Act with regard to deficiencies in quality, or by a laboratory approved by us with regard to substances or conditions injurious to human or animal health.

(4) Canola production that is eligible for quality adjustment, as specified in sections 12(d)(2) and (3), will be reduced:

(i) In accordance with the quality adjustment factors contained in the Special Provisions; or

(ii) If quality adjustment factors are not contained in the Special Provisions, quality adjustment factors will be determined as follows:

(A) Divide the price of damaged production by the local market price to determine the quality adjustment factor.

(B) The number of pounds remaining after any reduction due to excessive moisture (the moisture-adjusted gross pounds) of the damaged or conditioned production will then be multiplied by the quality adjustment factor to determine the net production to count.

(5) The price of damaged production and the local market price will be determined at the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit subject to the following conditions:

(i) Discounts used to establish the price of damaged production will be limited to those that are usual, customary, and reasonable.

(ii) The price of damaged production will not be reduced for:

(A) Moisture content;

(B) Damage due to uninsured causes;

(C) Drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the canola; except, if the price of damaged production can be increased by conditioning, we may reduce the price of damaged production after the production has been conditioned by the cost of conditioning but not lower than the price of damaged production before conditioning. We may obtain prices of damaged production from any buyer of our choice. If we obtain prices of damaged production from one or more buyers located outside your local market area, we will reduce such price of damaged production by the additional costs required to deliver the canola to those buyers; or

(D) Erucic acid or glucosinolates in excess of the amount allowed under the definition of canola contained in the Official United States Standards for Grain, and

(iii) Factors not associated with grading under the Official United States Standards for Grain including, but not limited to protein and oil, will not be considered.

(e) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on an unadjusted weight basis.

For example:

You have 100 percent share in 25 acres of Fall Oleic Canola in a unit with a 650 pound production guarantee and a price election of $0.11 per pound. You are only able to harvest 14,700 pounds and there is no appraised production. Your indemnity would be calculated as follows:	
(1)	25 acres x 650 pounds = 16,250 pounds of Fall Oleic Canola;
(2)	16,250 pounds x $0.11 price election = $1,788 value of guarantee for Fall Oleic Canola;
(3)	$1,788 total value of the guarantee;
(4)	14,700 pounds x $0.11 price election = $1,617 total value of production to count for Fall Oleic Canola;
(5)	$1,617 total value of production to count;
(6)	$1,788 - $1,617 = $171 loss; and
(7)	$171 x 100 percent = $171 indemnity payment.
You also have a 100 percent share in 50 acres of Fall High Erucic Rapeseed in the same unit with a production guarantee of 750 pounds per acre and a price election of $0.15 per pound. You are only able to harvest 14,000 pounds and there is no appraised production. Your total indemnity for both Fall Oleic Canola and Fall High Erucic Rapeseed would be calculated as follows:	
(1)	25 acres x 650 pounds = 16,250 pounds guarantee for the Fall Oleic Canola, and 50 acres x 750 pounds = 37,500 pounds guarantee for the Fall High Erucic Rapeseed
(2)	16,250 pounds guarantee x $0.11 price election = $1,788 value of the guarantee for the Fall Oleic Canola, and 37,500 pounds guarantee x $0.15 price election = $5,625 value of the guarantee for the Fall High Erucic Rapeseed;
(3)	$1,788 + $5,625 = $7,413 total value of the guarantees
(4)	14,700 pound x $0.11 price election = $1,617 value of production to count for the Fall Oleic Canola, and 14,000 pounds x $0.15 price election = $2,100 value of production to count for the Fall High Erucic Rapeseed;
(5)	$1,617 + $2,100 = $3,717 total value of production to count;
(6)	$7,413 - $3,717 = $3,696 loss; and
(7)	$3,696 x 100 percent = $3,696 indemnity payment.

13. Late Planting.

In lieu of section 16(a) of the Basic Provisions, the production guarantee for each acre planted to the insured crop during the late planting period will be reduced by 1 percent per day for each day planted after the final planting date unless otherwise specified in the Special Provisions.

14. Prevented Planting.

In addition to the provisions contained in section 17 of the Basic Provisions, your prevented planting coverage will be 60 percent of your production guarantee for timely planted acreage. If you have limited or additional levels of coverage, as specified in 7 CFR part 400 subpart T, and pay an additional premium, you may increase your prevented planting coverage to the levels specified in the Actuarial Documents.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

December 4, 1997

INFORMATIONAL MEMORANDUM: R&D-97-084

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Basic Provisions and Crop Provisions Including Late and Prevented Planting Changes

The Risk Management Agency (RMA) proposed changes to the Common Crop Insurance Regulations, Basic Provisions, and Various Crop Insurance Provisions in the Federal Register eliminating definitions found in numerous crop provisions and incorporating such into the Basic Provisions. Additionally, RMA has removed late and prevented planting provisions from individual crop provisions and incorporated new provisions into the Basic Provisions. This initiative will result in the reduction of an estimated 4 million crop provision pages that will no longer be distributed to policyholders. RMA received comments to these proposed changes during the proposed rule comment period and has reviewed and responded to the comments, made revisions where appropriate, and now published these regulations as Final Rule.

Today, RMA placed on the Reporting Organization (RO) Server the revised Common Crop Insurance Policy Basic Provisions, and all new crop provisions effective for the 1998 and succeeding crop years with a contract change date of November 30, 1997 (December 17, 1997 for the 1998 crop year). In addition, the new Small Grains Crop Provisions effective for the 1998 crop year in counties with a December 31, 1997, contract change date are also available on the RO Server. A brief description of the significant changes has been included for each document. Please refer to the actual provisions for complete information. All other new crop provisions with a contract change date of December 31, 1997, will be placed on the RO Server in the near future. This information is also available on the RMA WebSite at http://www.act.fcic.usda.gov/actuarial/index.html under the FTP Download directory.

These policies are consistent with the Actuarial filing previously released as reflected in Informational Memorandum R&D-97-079 and must be issued to all new and carryover insureds for the 1998 crop year at least 30 days prior to the cancellation date.

If you have any questions, please contact the Product Development Division at (816) 926-7387.

United States Department of Agriculture **Risk Management Agency** **Research and Development** **P.O. Box 419293 Kansas City Missouri 64141-6293**

INFORMATIONAL MEMORANDUM: R&D-97-085

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt
Deputy Administrator

SUBJECT: 1997 Income Protection and Crop Revenue Coverage Harvest Price Announcements for Cotton, Corn, and Grain Sorghum, and 1997 Revenue Assurance Harvest Price Announcement for Corn

Income Protection

The 1997 harvest prices for Income Protection (IP) Cotton, Corn, and Grain Sorghum, as defined in the IP crop provisions, are as follows:

Cotton: $0.71 per pound
Corn: $2.76 per bushel
Grain Sorghum: $2.48 per bushel

Crop Revenue Coverage

The 1997 harvest prices for Crop Revenue Coverage (CRC) Cotton, Corn, and Grain Sorghum, as defined in the CRC Commodity Exchange Endorsements, are as follows:

Cotton: $0.68 per pound
Corn: $2.62 per bushel
Grain Sorghum: $2.48 per bushel

Revenue Assurance

The 1997 county harvest prices for Revenue Assurance (RA) Corn in Iowa, as defined in the RA Corn and Soybeans crop provisions, are listed on the attached page.

Attachment

County	per Bushel	County	per Bushel	County	per Bushel

ADAIR	$2.30	FRANKLIN	$2.32	MONROE	$2.38
ADAMS	$2.30	FREMONT	$2.36	MONTGOMERY	$2.35
ALLAMAKEE	$2.38	GREENE	$2.34	MUSCATINE	$2.48
APPANOOSE	$2.33	GRUNDY	$2.34	O BRIEN	$2.29
AUDUBON	$2.30	GUTHRIE	$2.33	OSCEOLA	$2.28
BENTON	$2.40	HAMILTON	$2.33	PAGE	$2.32
BLACK HAWK	$2.37	HANCOCK	$2.31	PALO ALTO	$2.33
BOONE	$2.35	HARDIN	$2.35	PLYMOUTH	$2.31
BREMER	$2.36	HARRISON	$2.34	POCAHONTAS	$2.33
BUCHANAN	$2.40	HENRY	$2.41	POLK	$2.33
BUENA VIST	$2.32	HOWARD	$2.34	E POTTAWATTAMIE	$2.37
BUTLER	$2.34	HUMBOLDT	$2.31	W POTTAWATTAMIE	$2.37
CALHOUN	$2.33	IDA	$2.29	POWESHIEK	$2.36
CARROLL	$2.35	IOWA	$2.37	RINGGOLD	$2.32
CASS	$2.33	JACKSON	$2.46	SAC	$2.31
CEDAR	$2.43	JASPER	$2.34	SCOTT	$2.48
CERRO GORDO	$2.34	JEFFERSON	$2.41	SHELBY	$2.34
CHEROKEE	$2.31	JOHNSON	$2.42	SIOUX	$2.31
CHICKASAW	$2.35	JONES	$2.39	STORY	$2.33
CLARKE	$2.30	KEOKUK	$2.38	TAMA	$2.37
CLAY	$2.31	KOSSUTH	$2.31	TAYLOR	$2.32
CLAYTON	$2.41	LEE	$2.45	UNION	$2.34
CLINTON	$2.48	LINN	$2.43	VAN BUREN	$2.41
CRAWFORD	$2.34	LOUISA	$2.44	WAPELLO	$2.38
DALLAS	$2.33	LUCAS	$2.31	WARREN	$2.30
DAVIS	$2.38	LYON	$2.28	WASHINGTON	$2.39
DECATUR	$2.30	MADISON	$2.32	WAYNE	$2.33
DELAWARE	$2.43	MAHASKA	$2.36	WEBSTER	$2.33
DES MOINES	$2.46	MARION	$2.33	WINNEBAGO	$2.30
DICKINSON	$2.29	MARSHALL	$2.35	WINNESHIEK	$2.35
DUBUQUE	$2.46	MILLS	$2.33	WOODBURY	$2.36
EMMET	$2.29	MITCHELL	$2.34	WORTH	$2.32
FAYETTE	$2.37	MONONA	$2.28	WRIGHT	$2.33
FLOYD	$2.38				

United States Department of Agriculture | Risk Management Agency | Research and Development | P.O. Box 419293 Kansas City Missouri 64141-6293

INFORMATIONAL MEMORANDUM: R&D-97-087

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt 12/12/97
Deputy Administrator

SUBJECT: Addendum to the Actuarial Documents, 1998 Coarse Grains, Cotton and Spring Wheat Crop Revenue Coverage - Price Factors

BACKGROUND:

The final 1998 CRC spring crop high and low price factors are now available for the Chicago Board of Trade (CBOT), the New York Cotton Exchange (NYCE) and the Minneapolis Grain Exchange(MGE).

ACTION:

This memorandum is issued as an addendum to the actuarial documents for the purpose of announcing the APPROVED 1998 CRC Corn, Grain Sorghum, and Soybeans CBOT; Cotton NYCE; and Spring Wheat MGE price factors, as shown below.

	Contract	Board of	Price Factors	
Crop	Month	Trade	Low	High
Corn	Sept.	CBOT	0.228	0.238
Corn	Dec.	CBOT	0.213	0.208
Cotton	Oct.	NYCE	0.069	0.069
Cotton	Dec.	NYCE	0.055	0.058
Grain Sorghum	Sept.	CBOT	0.228	0.238
Grain Sorghum	Dec.	CBOT	0.213	0.208
Soybeans	Sept.	CBOT	0.548	0.548
Soybeans	Nov.	CBOT	0.480	0.495
Spring Wheat	Sept.	MGE	0.228	0.225

This information must be provided for these CRC crops to all applicable agents prior to the sales closing date.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

December 12, 1997

INFORMATIONAL MEMORANDUM: R&D-97-088

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ TIM B. WITT
Deputy Administrator

SUBJECT: Elimination of the Group Risk Plan for Barley

BACKGROUND:

The Group Risk Plan (GRP) for barley was made available beginning with the 1994 crop year. Although the program has been available in 54 counties of Montana, North Dakota, and South Dakota, GRP for barley experienced limited sales for the 1994 crop year and zero sales in subsequent years. The GRP guarantees and payments for barley are based on the National Agricultural Statistics Service (NASS) summer fallow and continuous cropping yield indices. Effective for 1998, NASS will discontinue the collection of the data needed to estimate the summer fallow and continuous cropping yields.

ACTION:

Risk Management Agency has eliminated GRP for barley effective with the 1998 crop year.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

December 12, 1997

INFORMATIONAL MEMORANDUM: R&D-97-089

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ TIM B. WITT
Deputy Administrator

SUBJECT: 1998 Crop Revenue Coverage Basic and Crop Provisions for Crops With a Contract Change Date of December 31, 1997

Today, the Risk Management Agency (RMA) placed on the Reporting Organization (RO) Server the new 1998 Crop Revenue Coverage (CRC) Basic Provisions and Crop Provisions for coarse grains, cotton, and wheat with a contract change date of December 31, 1997. The provisions are in PDF format. These documents are effective for the 1998 and succeeding crop years. A brief description of the significant changes has been included for the CRC Basic Provisions and Crop Provisions. Please refer to the CRC Basic Provisions and Crop Provisions for complete information. The Underwriting Rules and Questions and Answers for CRC coarse grains, cotton and wheat are also on the server. This information is also available on the RMA Web Site at http://www.act.fcic.usda.gov/actuarial/index.html under the FTP Download directory.

These policies are consistent with the Actuarial filing previously released as reflected in Informational Memorandum R&D-97-079 and must be issued to all carryover insureds for the 1998 crop year at least 30 days prior to the cancellation date.

If you have any questions, please contact the Product Development Division at (816) 926-7387.

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

December 16, 1997

INFORMATIONAL MEMORANDUM: R&D-97-090

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ TIM B. WITT
Deputy Administrator

SUBJECT: 1998 Revenue Assurance Basic and Crop Provisions

The Risk Management Agency (RMA) placed on the Reporting Organization (RO) Server the new 1998 Revenue Assurance (RA) Basic Provisions and Crop Provisions for corn and soybeans. The provisions are in PDF format. These documents are effective for the 1998 and succeeding crop years. A brief description of the significant changes has been included for the RA Basic Provisions and Crop Provisions. Please refer to the RA Basic Provisions and Crop Provisions for complete information. The RA Underwriting Rules, Questions and Answers, Side-by-Side Comparison, and Disclosure Statement are also on the server. This information is also available on the RMA Web Site at http://www.act.fcic.usda.gov/actuarial/index.html under the FTP Download directory in the Miscellaneous subdirectory.

These policies are consistent with the Actuarial filing previously released as reflected in Informational Memorandum R&D-97-079 and must be issued to all carryover insureds for the 1998 crop year at least 30 days prior to the cancellation date.

If you have any questions, please contact the Product Development Division at (816) 926-7387.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

December 17, 1997

INFORMATIONAL MEMORANDUM: R&D 97-091

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Canola and Rapeseed Crop Provisions for Areas With a Contract Change Date of November 30, 1997

Today, the Risk Management Agency (RMA) placed on the Reporting Organization (RO) Server the new 1998 Canola Crop Provisions for areas with a contract change date of November 30, 1997. The provisions are in PDF format. These documents are effective for the 1998 and succeeding crop years. A brief description of the significant changes has been included for the Canola and Rapeseed Crop Provisions. Please refer to the Canola and Rapeseed Crop Provisions for complete information. This information is also available on the RMA Web Site at http://www.act.fcic.usda.gov/actuarial/index.html under the FTP Download directory.

This policy is consistent with the Actuarial filing previously released as reflected in Informational Memorandum R&D-97-079 and must be issued to all carryover insureds for the 1998 crop year at least 30 days prior to the cancellation date.

If you have any questions, please contact the Research and Evaluation Division at (816) 926-6343.

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

December 18, 1997

INFORMATIONAL MEMORANDUM: R&D-97-092

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt S/ TBW
Deputy Administrator

SUBJECT: Debt Notification As Required by the Ineligible Tracking System Handbook

BACKGROUND:

The Ineligible Tracking System (ITS) Handbook provides a debt notification process that must be followed before a producer may be submitted to the Ineligible Tracking System. In Exhibit 9 of the handbook, minimum debt notification periods are specified. For most crops, the procedure provides that debt notification must occur **at least 60 days prior to the termination date** for the crop and area. However, for some crops in certain areas, the debt notification date is the same as the billing date (e.g., the 1997 billing and debt notification date for wheat in Any County, Any State is October 1, 1997). The Risk Management Agency (RMA) has received comments indicating that the 60-day time period is not workable in such situations because it does not allow any time for the producer to pay the premium before the debt notification is issued.

RMA has reviewed all premium billing and termination dates. In many instances, in excess of 90 days exists between premium billing and termination which permits a reasonable premium billing/debt notification process. However, there are a number of county crop programs where the billing date and debt notification date are the same. The principle crop affected is wheat.

Reinsured companies have requested that RMA officially revise the 60-day debt notification period to a shorter period.

ACTION:

RMA has revised the 60-day debt notification time period shown for “All Other Crops” and “Nursery” in Exhibit 9 to 30 days. Exhibit 9 has been updated (see attachment) and should be slipsheeted into the ITS Handbook. This memorandum and attached slipsheets are available on the Reporting Organization Server under 1997 Research and Development Bulletins.

U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

FEDERAL CROP INSURANCE CORPORATION DIRECTIVE		NUMBER: 24050-01
SUBJECT: INELIGIBLE TRACKING SYSTEM HANDBOOK	DATE: January 1998	
	OPI: PRODUCT DEVELOPMENT DIVISION	
	APPROVED: /S TBW 12/18/97	

1 PURPOSE AND OBJECTIVE

Revises the dates for the debt notification process on page 24 of the original issuance.

2 CANCELLATION

Issuances Rescinded. Rescinds page 24 of the original issuance.

DISTRIBUTION

RMA Deputy Administrators, Directors, Washington, D.C. and Kansas City; RMA Regional Service and Risk Compliance Offices; National Appeals Division (NAD); Reinsured Companies, and National Crop Insurance Services (NCIS).

EXHIBIT 9
DEBT NOTIFICATION TIME PERIODS

Crop(s)	Minimum Days Notification Required Prior to Termination Date
Forage Seeding Macadamia Nuts Macadamia Trees	15 days 15 days
Apples, Blueberries, Cranberries, Grapes, Pears	30 days
All Other Crops Nursery **	30 days 30 days

* The Macadamia Tree policy provides as a condition for insurance to attach that the premium must be paid. Macadamia Tree policyholders cannot become debtors except in cases of overpayment. Macadamia Tree policyholders will not be issued a Notice of Debt letter.

** The Nursery policy contains multiple premium payment dates. The last payment date is April 1. Policyholders have until the termination date to make the final payment for the policy.

NOTE: The Notice of Debt describes various options available to the policyholder in the event of a dispute or disagreement that affects payment of the premium and provides information concerning the consequences of not paying the premium. The dates for issuance of the Notices of Debt follow after the billing date.

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

December 18, 1997

INFORMATIONAL MEMORANDUM: R&D-97-093

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Income Protection Pilot Program Crop Provisions

BACKGROUND:

The 1998 Income Protection (IP) Pilot Program Crop Provisions have been modified to be consistent with the new 1998 Common Crop Insurance Policy Basic Provisions. For the 1998 crop year, changes have been made to the Common Crop Insurance Policy Basic Provisions to incorporate revised late and prevented planting provisions and to add definitions and provisions that are common to most crops. These revisions required modifications to the Crop Provisions that use the 1998 Common Crop Insurance Policy Basic Provisions. The intended effect of this action is to provide policy changes that meet the needs of the insured, are easier to administer, and to delete repetitive provisions contained in various Crop Provisions.

ACTION:

This release includes the Crop Provisions and a Summary of Changes for IP corn, cotton, grain sorghum, soybeans, and wheat. These materials are available electronically via the Reporting Organization server.

If you have any questions about this pilot program, please contact Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.

Attachments - will follow in the mail

United States Department of Agriculture
Risk Management Agency
Research and Development
P.O. Box 419293
Kansas City
Missouri 64141-6293

December 19, 1997

INFORMATIONAL MEMORANDUM: R&D-97-094

TO: All Reinsured Companies
All Risk Management Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Group Risk Plan (GRP) Forage Production

BACKGROUND:

Guarantees under Group Risk Plan (GRP) forage production use a trend projection of next year's yield based on National Agricultural Statistics Service (NASS) harvested yields for the county, and uses the insurance year NASS harvested yield for the county as the basis for loss determination.

The 1997 crop year brought weather conditions to areas of Wisconsin and Minnesota that resulted in winterkill damage to some forage acres, which identified a weakness in the product. Producers who purchased GRP forage production for the 1997 crop year insured all forage acres as of the acreage reporting date, and paid a premium for each of those acres. However, forage acres totally lost to winterkill are typically plowed under and cannot be reflected in the NASS harvested acreage for the crop year. As a result, GRP forage production offers little assistance when winterkill occurs if one assumes that acreage that is harvested has no reduced yield due to the winterkill.

Risk Management Agency (RMA) solicited comments from reinsured companies and Regional Service Offices regarding what actions might be most appropriate to take, through Informational Memorandum: R&D-97-075 on October 10, 1997. RMA received approximately 15 responses, which identified a clear consensus of the actions RMA should take.

ACTION:

RMA will allow downward revisions to the 1998 GRP forage production acreage report through May 15, 1998, to account for plowing under of acreage lost to winterkill (since the contract change date for 1998 GRP forage production has passed). In addition, RMA will proceed with updating the GRP forage special provisions for 1999 and succeeding years to reflect a permanent change in the acreage reporting date.

United States Department of Agriculture	Risk Management Agency	Research and Development	P.O. Box 419293 Kansas City Missouri 64141-6293

December 19, 1997

INFORMATIONAL MEMORANDUM: R&D-97-095

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Millet Pilot Program Crop Provisions

BACKGROUND:

The 1998 Millet Pilot Program Crop Provisions have been modified to be consistent with the new 1998 Common Crop Insurance Policy Basic Provisions. For the 1998 crop year, changes have been made to the Common Crop Insurance Policy Basic Provisions to add definitions and provisions that are common to most crops. These revisions required modifications to the Crop Provisions that use the 1998 Common Crop Insurance Policy Basic Provisions. The intended effect of this action is to provide policy changes that meet the needs of the insured, are easier to administer, and to delete repetitive provisions contained in various Crop Provisions.

ACTION:

This release includes the Crop Provisions and a Summary of Changes for Millet. These materials are available electronically via the Reporting Organization server.

If you have any questions about this pilot program, please contact Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.

Attachments - will be sent in the mail

United States	Risk	Research	P.O. Box 419293
Department of	Management	and	Kansas City
Agriculture	Agency	Development	Missouri 64141-6293

December 19, 1997

INFORMATIONAL MEMORANDUM: R&D-97-096

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: 1998 Sweetpotato Actuarial Materials

BACKGROUND:

The Board of Directors of the Federal Crop Insurance Corporation approved a pilot insurance program for sweetpotatoes. The pilot is an Actual Production History (APH) program based on the grower's actual production records and is offered for sales in the 1998, 1999, and 2000 crop years. The insured will be protected against adverse weather, fire, insects, wildlife, earthquake,volcanic eruption, and failure of the irrigation water supply. The sweetpotato pilot program will be offered in the following states and counties:

ALABAMA	CALIFORNIA	LOUISIANA
Baldwin	Merced	Avoyelles
		Morehouse
		West Carroll

NORTH CAROLINA	SOUTH CAROLINA
Columbus	Horry
Johnston	

The sales closing date for sweetpotatoes is February 28.

ACTION:

The FCI-35 Coverage and Rate Tables, Special Provisions of Insurance and the crop provisions are available electronically via the Reporting Organization server.

If you have any questions about this pilot program, please contact
Vondie O'Conner at (816) 926-6343 or by fax at (816) 926-7343.